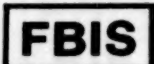


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# Latin America Report

No. 2446



FOREIGN BROADCAST INFORMATION SERVICE

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## INTERVIEW WITH COMMUNIST PARTY MEMBER RUBENS ISCARO

Havana BOHEMIA in Spanish 20 Nov 81 pp 58-63

[Interview with Rubens Iscaro, member of the Political Bureau of the Communist Party of Argentina by Juan Sanchez in Havana; date of interview not specified]

[Text] November has begun with blowing wind and rain from Caribbean storms. Hotel Triton on the Havana west coast was barely affected by the stormy weather outside its glass and reinforced concrete shell. The BOHEMIA reporters went there to interview the leader of the PCA [Communist Party of Argentina], Rubens Iscaro, a member of the Political Bureau, during his brief stay in Cuba. We asked him to analyze the political and socioeconomic process in Argentina in recent years. First, though, he wanted to repeat support for Fidel Castro's speech to the Second CDR [Committees for the Defense of the Revolution] Congress.

"During our stay on this island of freedom, we have been fortunate enough to hear comrade Fidel's recent speech to the CDR congress. We fully agree with him and want to express once more our complete and firm solidarity with Cuba and its revolution. We are always ready to contribute all our forces and those of our people to keep the current imperialist threats from being carried out. We do not question for even an instant the courage and readiness of the Cuban people to confront them and even defeat them. However, we believe that our foremost internationalist duty is to mobilize to keep the imperialist beast in its cage. If the peoples of this continent and everywhere in the world raise their voices enough and if we are capable of mobilizing for peace and respect for the peoples' autonomy to choose their own fate, we are optimistic that we can force Washington to drop its insane plans.

"Within our modest possibilities, we can proudly state that we have always been and always will be at Cuba's side. We have tried not only to express solidarity but also to organize concrete solidarity. We don't think there is any speech by comrade Fidel that we have not published and distributed to our members and the popular masses in our fatherland. Recently, when there was an attempt to mount an international campaign about the problems of the scum, thousands of copies of an explanatory pamphlet written by Argentine comrade Fernando Nadra after a visit to Cuba went out to counteract that provocation. Also the Main Report to the Second PCC [Communist Party of Cuba] Congress was published and widely distributed to show and reaffirm the example of your revolution.

"To contribute to the active defense of Cuba means defending peace, dignity and the right of each country to independent life. It is one of the best expressions of anti-imperialism and militant internationalism.

"We want to reaffirm this once more. We have been, are and will be with socialist Cuba through our complete and active solidarity."

The leader of the PCA then went on to give an idea of the Argentine situation. He began by explaining the necessary background of the consequences of the 1976 military coup.

"The situation after the FFAA [Armed Forces] took power in March 1976 presented new and complex problems for the anti-imperialist democratic movement of our country. It was necessary to draw up the strategy and tactics that would permit these forces, especially the PCA, to challenge the reactionary offensive, regroup and encourage the return to democracy, the National Constitution and respect for human rights through the broad unity of the Argentine people. The terrorism of the far right--and also of the far left to a lesser degree--did not make it easy to adopt a political position toward the unique situation created.

"The 1976 military movement was heterogeneous; liberal, conservative, elitist and frankly reactionary military elements participated in it. There were also soldiers who said they aspired to reestablish the democratic system.

"To adopt a position toward the new situation created, the party leadership--maintaining its political and organic independence under any circumstance--had to first understand the uniqueness of the events that occurred and have the necessary political stability not to be influenced by the revolutionary infantilism prevailing at that time.

"We felt that, by differentiating the characteristics of each military group--which was not easy at the very beginning since the military as a whole carried out the coup--we had to point out the main enemy: Pinochetism. We had to concentrate the fight against this enemy to keep it from achieving total power. It was necessary not to mix them up but unmix them and establish a broad range of allies."

#### Allies

"It is impossible to win without allies, whether temporary, conditional or circumstantial. The dominating classes cannot be considered a single whole without factions. Lenin taught that all bourgeois nationalism has a democratic element. We recognize the existence of an anti-imperialist and democratic nationalism compatible with the interests of the nation. It is also obvious that we cannot ignore the fact that there is another aggressive variety of xenophobic nationalism, part of the large imperialist monopolistic companies.

"Our constant differentiation among the military or civilian forces agrees with this clear analysis by Lenin. During that emergency situation, we had to determine whether the dividing line ran between the civilians and the military or between fascism and democracy. We understood that, under the concrete conditions in Argentina, a purely civilian solution would be impractical and a purely military solution would be unacceptable. Therefore, there is a need for civilian-military convergence through a program of profound democratic renovation of the Argentine society.



"This is not an opportunistic dictate nor a temporary provision but an organic requirement based on the fact that the dividing line, as we said, does not run between the military and civilians but between advocates and adversaries of democracy, national independence and peace.

"We had to remember the proven experience that no isolated force, no matter how important it presumes it is or really is, could resolve the situation, not even the FFAA. Also we had to go completely underground or use the legal possibilities for political activity, no matter how slight. We communists stayed inside the country with the working class when it was enduring unprecedented aggression from the oligarchy and the imperialist monopolies based on Martinez de Hoz' economic plan. This was written by the Trilateral and approved by the military junta; the repressive wave that accompanied it brought death, imprisonment and missing people. When recalling the difficult moments of our partisan activity, we must give warm and emotional homage to the courage, determination and intelligence with which the members of the party and the Communist Youth Federation acted during these complicated years. They did not let the flag of the party be lowered. They have defended its political line, its program and its organization and have tried to take them to the masses."

#### Lesson from the Coup

Isclaro continued explaining:

"This effort has not been in vain. Today the workers in the city and the country, the cultural sectors, the students and the political parties listen with growing respect to the communists' proposals. A greater willingness to search for agreements for joint actions can be seen.

"This has been of enormous importance in view of the experiences from 1970 to 1975 when events of unquestionable importance occurred like the rise of the popular mass movement, the most notable in the contemporary history of the country. There were important advances that no one can ignore but it was necessary to consolidate what was achieved. Certain inadequacies of the mass action, the lack of a coordinating center of popular forces and the vacillations of some sectors of the bourgeois nationalist leadership of Peronism conspired against it.

"The workers did not manage to imprint a definitive stamp. The internal reactionaries and the multinationals controlled important levers in the economic and political life of the country. Destabilizing actions increased inside and outside the Justicialista government, especially after Peron's death. Economic and political terrorism were used to confuse the masses and paralyze them. The infantile adventurism of the far left which, consciously or unconsciously played the game of the oligarchy and imperialism, complemented the destabilizing actions of the far right.

"The military pronouncement of March 1976 came in that unusual climate. That lesson must be remembered since destabilization was and continues to be the preferred method of the reactionaries to create the conditions for freedom-killing coups. It also must be pointed out that the democratic forces have to clearly see the main danger, respond firmly to its provocations and maneuvers and strengthen programmatic agreements for the fight. If narrow views predominate, the cause of democracy is endangered and there is room for destabilizing maneuvers.



"As we said, we were trying to block the complete victory of Pinochetism because, although it had positions in the new government, it was not able to predominate. Aware that we had to keep the frustration suffered in 1976 from becoming a devastating retreat, we tried to learn from that period by giving priority to fights for real wages, against inflation and in defense of national industry, freedoms and human rights. The repressive wave created an intimidating climate that had to be ended in order to regroup forces and encourage political action and the unity of the people around a democratic and anti-imperialist line. Of course, events have not followed a straight line. Nevertheless, the resistance of the masses did not let up at any time. There were new methods of struggle adapted to the difficulties of the situation. The accumulation of forces and the reorganization of popular movements in defense of human rights, for the release of prisoners and for the missing--movements that have their best united expression in the Permanent Assembly for Human Rights--in defense of jobs and the right to study were gradually growing. This mobilization and these demands were directed not only at government organs but also at the barracks. Hundreds of delegations of workers, women and youths talked aggressively to the officers, demanding solutions to their requests as they organized partial strikes in each factory, the so-called 'work in sorrow' and several general strikes of unions."

#### Proposal to the Nation

The Argentine leader continued explaining:

"All this encouraged the political parties, the church, the professional groups, the agrarian organizations, the business groups and the labor unions to act in spite of the political ban. The fight against the antinational policy of the military junta heated up with demands concerning shortages, higher wages and the nullification of freedoms and democratic rights of the people."

The events of 1980 and 1981 will characterize a new period of popular democratic action with positive changes in the situation because of an opening that permits advancement toward democracy in the country.

In the party's 1979 Proposal to the Nation, then secretary general comrade G. Arnedo Alvarez--since deceased--announced the indispensable requirements to facilitate popular participation in the process of democratic reconstruction. It demanded:

- a) Lifting the state of siege based on the fact that the reasons invoked for its establishment have been eliminated;
- b) Release of all the prisoners under the jurisdiction of the National Executive Body;
- c) End of the intimidating procedures, ensuring that all police actions by the state are legal and public;
- d) Frank examination of the problem of the missing and follow-through;
- e) Effective freedom of union organization without state interference;

f) Immediate repeal of provisions that impede freedom of action of the political parties without the imposition of arbitrary statutes; and

g) Complete respect for freedom of the press.

These demands are the minimal elements of a national agreement to be drawn up with total participation.

Our analysis of the present reality and the prospects for the CND [National Democratic Agreement] are based on this. Argentina is shaken by a serious emergency that demands solution and the solution has to be provided by the democratic forces united around a minimal shared program and a broad coordinating center. As can be noted, when we speak of a program, we are not speaking about the advanced program of socialism or about the stage of democratic, agrarian and anti-imperialist revolution but about a program of development of bourgeois democratic freedoms. From there, we could advance toward a renovated democracy, aware that the development of this stage opens possibilities for advancement along the road to more profound changes--that is, toward socialism.

Iscaro added:

"At the beginning of this year, different sectors insisted that the military process which began in 1976 is exhausted and does not have public consensus; its support base is reduced to the minimum. We pointed out that the CND stopped being strictly propaganda and the period of its practical construction began. In the successive exchanges of opinion with other political forces, the subsequent development of events and the maturation of objective and subjective conditions made the CND the best way to achieve the widespread desire of our people that a state of law be re-established in the country, the state of exception end and the search for agreed upon progressive solutions to end the present serious emergency advance."

Isolation of Power

Concerning efforts to make the constitution effective and party attention to the union fight for this, Iscaro said:

"The complete reestablishment of the effectiveness of the National Constitution is sought by all democratic sectors. By proclaiming this necessity, we are not denying that the constitution can be improved. We demand it as the appropriate way and the source of democratic unity and convergence for civilians as well as the FFAA. The 'isolation of power' that the present rulers feel because of their lack of popular support leads different sectors of the FFAA to take up new positions to 'save' the so-called process of 'national reorganization.' Some show a tendency toward opening; they want to keep the social cauldron from boiling over but they postpone urgent solutions to economic and social problems. Others propose extending the state of exception and support elitist models. They continue with the objective of forming an official party. The Pinochetists fight to destabilize the situation even more to open the way to a bloody dictatorial adventure. They have the backing of the powerful financial interests that plunder the country--that is, imperialism.

"The secretary general of the party, comrade Athos Fava, remarked at the Ninth National Conference: 'The danger of a fascist dictatorship cannot be ignored. So

far fascism has been unsuccessful; the greatest obstacle that it met was popular action. However, the Argentine democracy was unable to realize its objectives as a result of its basic weakness: dispersion of its forces. To overcome the frustrations of the stage before the 1976 coup, the process of accumulation of forces must be developed until it ends with unity organized around a leading and coordinating center of action and labor, popular and democratic struggles for the effectiveness of the National Constitution. This is the deepest meaning of the widespread demands to lift the state of siege and the political, union and social ban, release untried prisoners, explain the situation of the missing and allow freedom of speech, press and association."

Iscaro emphasized: "These widespread demands are much more important since there are manifestations of a single, multipartisan and multisectorial front at all levels: local, provincial, regional and national. The development of agreement until it becomes united organized action will achieve a real democratic opening based on dialogue and free partisan activity and sustained by the broadest mobilization of the masses. It is obvious that this means reaching a broad agreement among forces to govern the country under the National Constitution and an emergency program or platform that will end in the necessary elections. Therefore, this agreement must include democratic civilians and military and provide the basis for the formation of a transitional government under a broad democratic coalition. To achieve this objective, we communists have always given priority to the union movement since it is the most important mass movement. Consequently, we always have the great political task of ensuring that the working class, guided by its revolutionary vanguard, play the major role in the struggles that the Argentine people must fight for their national and social emancipation and, under present circumstances, for the democratization of the country. This historic responsibility can only be met today through the complete unity of the workers of all philosophies and especially through the understanding and united actions of the Peronist and communist workers. This joint action which increases especially from below has made labor resistance to the wage policy of the military junta possible. The situation of the workers has become intolerable. Since the FFAA took power, the buying power of wages decreased more than 50 percent. The redistribution of national income loses ground. In 1952, wage earners received approximately 50 percent; in 1979, that percentage went down to about 27 percent and has continued to go down. Unemployment has become a real scourge for working families. Present estimates show more than 1.3 million unemployed or with partial employment. This is unprecedented in our history. As a result of the undermining economic policy that has been applied, hundreds of small, medium and large enterprises have closed. Practically all the regional economies are in bankruptcy, submerging entire provinces in very difficult situations. Speculation and inflation grow. In other words, the list of evils is interminable. All this has put the country in the most serious crisis in its history with the danger even of national dissolution. As we pointed out, these worker and popular struggles had widespread expression in the last general strike on 22 June which shows the inevitable road--more widespread actions--to eliminate an economic policy that only benefits the multinational monopolies and their native partners in the oligarchy."

#### For Unity in the Union Movement

"To prevent this, the reactionaries try to divide the union movement between advocates of the class struggle and advocates of class reconciliation. They try to

weaken the understanding and unity of action of the communists in the fight to defend the rights of the workers. As is known, the class struggle is not the creation of a philosophical doctrine but something that exists, outside our will, because of opposing classes. In order to end the class struggle, it is necessary to found a society where there are no exploiters or exploited. Since we communists fight for that society, we can only be accused of being the soul of the workers' fight against pressure and for change in the economic structures that submerge us in backwardness and dependence.

"So that the labor movement can fulfill that role in Argentine society, it is necessary to ensure its unity, its internal democracy and its complete independence from the state, the bosses and the political parties.

"The recognition of the nonpartisan nature of the unions and the formation of their directorates with the most capable, selfless, honest and combative comrades, without considering their personal partisanism, will unquestionably encourage union unity and will aid the workers' struggles. Hopefully the union leaders will know how to find the formulas for unity in the worker movement in order to prepare and encourage worker participation in a process of democratic opening and reestablishment, renouncing exclusive sectarianism, ideological discrimination and compromises with the factions in power.

"The unity of the labor movement is an indispensable condition for the working class to have a strong and decisive effect on a broad multiclassist, democratic and anti-imperialist movement. That unity will occur and will be effective if, first, the Peronists and the communists--the basic political currents in the Argentine labor sector today--expand their understanding. The unity of all the democratic forces will be greatly stimulated if the working class finds the way to unite."

This political line which the Argentine communists have worked on and continue working on at this time, as seen in the recent Ninth National Party Conference, has helped open new prospects from independent positions, not "critical support" to the military government as some groups have falsely claimed. From abroad they have tried to distort our clear positions. They try to place the party in the "old traditional left" which no longer plays its role as revolutionary vanguard.

#### Action of the Masses

The communist party not only plays the vanguard role in orientation and daily actions with the workers in one of the most difficult and complicated stages of our history but, especially, in the ideological struggle. The history is written. The communist party, based on Marxist-Leninist theory, has always spoken out against infantile and adventurous ideas of the far left and against the idea that national and social liberation can be the result of actions isolated from the will of the people. Lenin teaches that the most profound source of victory, as confirmed by practice, is mass organization and action.

The constant growth of the party and the communist youth through recruitment basically from the working class which has maintained itself in spite of the difficult times that we have gone through is an eloquent response by the masses to those criticisms.



Our discussions are always based on improving the application of the political line. By law, by conviction and by honesty toward the masses, we will never operate like certain sectors--which are ineffective in national political life today--that, without convincing explanations, change their tactical positions overnight.

### Multipartisan

In Argentina the rise of multipartisan calls is an important and beneficial phenomenon. It is a process of partial or general agreements among leaders as well as the rank and file based on documents, petitions, etc., concerning different problems. Iscaro discussed this topic:

"The changes that have occurred in Argentina and the possibilities of a political opening do not come from 'strategic offensives' elaborated abroad but from work in the interior of the country--frequently dull and difficult--by the members of all the political forces, especially the communists. Naturally, the Argentine democracy has always felt strengthened by the international solidarity shown toward it just as we, immersed in our fight for freedom and democracy in the country, have not forgotten to express our solidarity with the fight of each Latin American people and peoples in other parts of the world, aware of our common enemy and the common fate that we will forge together.

"As a result of the long work toward rapprochement among the democratic political parties, there was a minimal understanding. Five parties--the Justicialista, Radical Civic Union, the Intransigent, Christian Democracy and the Developmentalist--formed a 'convocation council' and made a call 'to all the sectors of national life without exception' for institutional normalization and the formulation of an emergency economic plan to overcome the crisis and begin reconstruction of the national economy. The document called 'Convocation to the Country' proposes basic solutions that must be achieved 'in the shortest time possible,' basically demanding a return to a state of law, full effectiveness of the National Constitution, lifting of restrictions and immediate and effective normalization of political and union activity without conditioning it 'to new regulations.' The call demands the formulation of a timetable for the complete institutionalization of the country under immediate and precise terms. It shows that 'if it arises from the political parties, it is aimed at all the sectors since it seeks the general interest.'"

The leaders of the five parties met under the direction of the communist party at our Central Committee site in Buenos Aires. We expressed to them our warmest agreement and the determination to work actively for the success of the multipartisan. There is also a need to readjust ideas to produce an organic and leading structure with the equal participation of all parties. This political event, unique in the last 50 years of Argentine political life, could not be frustrated since, to a great degree, the hopes of the Argentine working class and people rest in it.

"The national multipartisan is the culmination of a stage of partial or more general agreements that have occurred from below as well as above based on documents, petitions and positions on different problems, etc. Also--and this is very important--multipartisans have been formed at the provincial level and in the more important cities of the country, many of which advance in unitary spirit and demands. As was indicated at the ninth conference, the development and strengthening of these



real unitary tools to take the country out of the crisis in which it has been submerged is a priority task for the communists. In short, with firmness and flexibility, the PCA knew how to draw up a correct line at a difficult time of discouragement and confusion, a line that it later applied consistently and that has proven its complete justice. Today it is starting to yield visible fruit. They could not isolate us from the masses in spite of the resolute efforts of the reactionaries. This is one of the bases of our strength.

"Our fight--which is that of all the Argentine people--is to win democracy, developing it completely and thus creating the best premises, along the road that life imposes, to pass on to the socialist stage of the revolution."

#### International Arena

Isclaro then discussed the situation within the international context. He told BOHEMIA:

"We cannot refer to Argentina, to the struggles of its working class and its people, without placing them in the framework of the serious events in the international arena."

There is no question that, in the last decade, the balance of power in the world has continued to favor socialism, the struggles of national liberation, democracy and peace.

"However, the aggressiveness and warmongering policy of Yankee imperialism have notably worsened in recent years. In its desperation to contain and change the positive direction of the popular struggles for freedom, democracy, social progress, liberation and peace and torn by its internal conflicts and the economic crisis in which it is submerged and which it cannot end, it has placed the world on the verge of a nuclear war that threatens the existence itself of mankind. The new Reagan administration has multiplied these dangers. It has revealed its plans for aggression and war aimed mainly at the socialist camp, particularly the Soviet Union and Cuba, the peoples who fight for independent development or have achieved or fight for national liberation and the forces of democracy and social progress. It has found collaboration for this policy from the Beijing Maoist agitators, real traitors to the cause of socialism and communism. Removing the fig leaf of 'human rights,' Yankee imperialism has converted the planet as a whole into an area of its 'strategic interests.' It threatens new interventions, wields a nuclear stick, tries to deceive with its 'limited war' theory, openly interferes in the internal life of other countries, builds new aggressive military bases, develops even more deadly nuclear weapons like the neutron bomb and tries to blackmail the peoples and governments with 'economic aid' and manipulation of markets and prices. In other words, it reaffirms its attempted role as world policeman."

#### Position of the PCA

"Our position is clear. Not only are we against this imperial policy but we also speak out on the side of the Soviet Union, its policy of peaceful coexistence among states and its sensible proposals for world peace reaffirmed by comrade L. I. Brezhnev in his report to the 26th CPSU Congress. We are on the side of the

socialist camp, the peoples who have freed themselves from the clutches of imperialism, the revolutions of national liberation and the forces of democracy and peace. The significant victories of the Sandinist revolution in Nicaragua and the revolution in Grenada with which we identify completely, the heroic struggles of the Salvadoran people and the proletarian and popular fights throughout the continent demonstrate the growth of anti-imperialist feelings and awareness in Latin America and the Caribbean. They are an enormous contribution to the general fight against the common enemy: imperialism, particularly Yankee imperialism. It seeks to recover from its defeats. Its 'safe backyard' no longer exists and the process initiated on the continent by the Cuban revolution in 1959 has entered a new stage. The peoples, each time more determined, are ready to fight for their freedom, their true independence, their dignity and independent development.

"The policies of many states conflict with this rapacious, warmongering policy of absolute subjection which the U.S. Government tries to force on us. Any sign of autonomy or defense, however weak, is criticized by the imperialists who seek to distort that path."

Iscaró stated: "Pressure and threats to abandon any positive aspects of its foreign policy which are mainly based on objective conflicts--especially economic ones--with the United States rain on Argentina. A ferocious anti-Soviet, anti-Cuban and anticommunist campaign is developed through every means to make Argentina: withdraw from the Movement of Nonaligned Countries or play an openly reactionary role within it; eliminate the beneficial trade with the Soviet Union and other socialist countries and the possibilities of bilateral agreements to construct large energy projects which would be very beneficial for the country; form a South Atlantic Pact with the racist and genocidal regime of South Africa; compromise our FFAA in its interventionist plans on the continent--even more and more openly--or outside the continent as in the case of sending troops to the Sinai which has been prevented so far due to the mobilization of public opinion and the action of the political forces led by the PCA; and close or totally condition the democratic opening. The so-called Beagle conflict, encouraged by the reactionary and fascist sectors of Argentina and Chile, is manipulated to make our fraternal peoples fight, to deflect their just fights and to create new sources of conflict to help its interests."

#### Cuba's Example

"Socialist Cuba has had to tolerate this imperialist policy since the birth of its revolutionary process--22 years of blockades, threats, provocations and mercenary invasions like the Bay of Pigs. Far from making the Cuban people retreat, their revolutionary energy has multiplied. It did not succeed in slowing down the economic development and social progress. Cuba--with the determination of its people, its communist party and its government headed by comrade Fidel Castro--has kept the flag of freedom and socialism waving on the continent. Surrounded by widespread international solidarity led by the Soviet Union, it has not only known how to defend itself but its progress has continued unwaveringly. It is a magnificent and real example for all of us."

The interview ended. We shook hands and wished the veteran Argentine political fighter a safe return after this fraternal meeting.

7717

CSO: 3010/629

## BRITISH 'LOBBY' HAMPERS SALE OF POLAR SHIP FOR ANTARCTIC

## Falkland Islanders Protest

Rio de Janeiro O GLOBO in Portuguese 14 Jan 82 p 6

[Text] London--Lobbying by inhabitants of the Falkland Islands against sale of the icebreaker HMS "Endurance" seems to have had the intended effect, at least according to a Brazilian source in close touch with the subject, who said he is seriously concerned and pessimistic.

"There are signs that the British have backed away from the sale," he said.

The Defense Ministry, responsible for the matter, continues to assert that negotiations are progressing and refuses to give O GLOBO further clarification, arguing that it is unethical to comment on negotiations in progress. The evidence of stalling, according to the source, is the disturbing silence the British Government has maintained with one of those concerned in the purchase--Brazil.

When the intention to sell the ship was announced, it caused a strong protest by deputies and the office representing British citizens living in the Falkland Islands, possession of which is being disputed between Great Britain and Argentina. The "Save the 'Endurance'" movement is on the front pages of newspapers here and attracts considerable attention in radio and television news broadcasts.

"As the ship cannot be delivered to the new owner--if the sale is consummated--until after April, when it finishes its current mission in the Antarctic, it may be," the source admits, "that the government is trying to save itself the public wear and tear that a sale-or-no-sale discussion would bring. It may be that the decision favorable to the sale will be announced as an accomplished fact in May or June of this year."

The "Endurance" was built in Copenhagen, finished in 1956 and cost, at the time, about 450 million cruzeiros. In 1968 it was converted in Belfast, being outfitted with equipment for scientific research and geographic mapping. Since that time it has been making a 7-month voyage to the Antarctic region annually. It is an old and battered ship, but last year was overhauled to last, in good shape, until 1990.

The advantage of the "Endurance," besides prompt delivery, is the price asked by the British, which, according to Brazil's navy minister, Maximiano da Fonseca, is

about 390 million cruzeiros. A similar ship built in 1978 in Japanese shipyards cost about 8 billion cruzeiros. As the Brazilian shipyards are not equipped to build a ship of this type, the order would have to be placed abroad, at a definitely higher price.

"There aren't many people who are looking for an icebreaker to buy, but neither are there very many with one to sell," said the source. This problem applies as much to Brazil as the buyer as it does to Great Britain as the seller.

The lack of news from the British government which is being interpreted as bad news by the Brazilian source is causing Brazil to seek alternatives, which could cause the United Kingdom to lose its customer.

But the possibility that the Brazilian Government will order a new ship even if it buys the "Endurance" has not been ruled out.

"Having one is not much better than having none," said the source. The "Endurance" meets the immediate needs of the Brazilian presence in the Antarctic, but it has a short life because it is old. A ship ordered in 1982 from a Finnish or Norwegian shipyard would be ready in 3 years at the earliest, but the Japanese can deliver more promptly--in 1 and 1/2 year.

#### Chamber of Deputies Interest

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 Jan 82 p 10

[Text] Brasilia--In the beginning of March, Deputy Freitas Nobre (PMDB [Brazilian Democratic Mobilization Party]-SP [Sao Paulo]) will introduce a bill that will stipulate the presence of a representative of the Chamber of Deputies on the recently-created National Commission for Antarctic Affairs. This commission is to work in collaboration with the Interministerial Commission for Sea Resources, which is responsible for preparing the plans for the Brazilian Antarctic Program.

The Chamber's representative on the Antarctic Affairs Commission would not receive any remuneration, under any circumstances, for his participation. Freitas Nobre stressed the legislative branch's need to keep posted on the Antarctic problem, partly to keep legislation affecting the sector up to date.

The deputy, who is the Chamber's second vice president, participated recently in the latest World Conference on the Law of the Sea in Geneva organized by the United Nations. The Sao Paulo representative believes Brazil must turn its attention to the Antarctic without forgetting the need to establish a position in favor of a decision regarding our rights to sea resources.

#### Statement by Navy Minister

Rio de Janeiro O GLOBO in Portuguese 21 Jan 82 p 4

[Text] Brasilia--Navy Minister Adm Maximiano Eduardo Fonseca revealed to O GLOBO yesterday that studies are being made to arrange for sending a ship of the hydrographic area to Antarctica for reconnaissance of its ocean region.

"Maybe one of our ships will go to Antarctica," the navy minister asserted, "to see what it is like. It will make a reconnaissance. This mission must be accomplished during the second half of the year, in the summer, before the expedition begins, to make our first contact with that continent."

According to the minister, the navy will ask confirmation of new offers of polar ships, one of them from Japan, and in February Brazilian officials will inspect the polar ship "El Taninn" offered to Brazil by the U.S. Navy.

Admiral Maximiano said he asked Brazilian naval aides to seek confirmation of sales proposals for polar ships to ascertain conditions for negotiations and verify whether they are in keeping with Brazil's possibilities.

Maximiano further pointed out that he has not received a reply from the British Government regarding purchase of the polar ship "Endurance" which, he said, "continues to be the best choice because it is already equipped for the expedition.

"The 'Endurance' is currently participating in a British expedition," said the minister, "and it must return to London in May. It is a ship with a long background in the Antarctic, but if it is not possible to buy it we will have to negotiate for another."

8834

CSO: 3001/70



## TANCREDO NEVES SPEAKS OF HIS DISAPPOINTMENT IN LIBERALIZATION

Sao Paulo ISTOE in Portuguese 16 Jan 82 pp 92-94

[Interview with Popular Party [PP] President Tancredo Neves by Jose Carlos Bardawil of ISTOE; date and place not indicated]

[Text] While he rules over the impatience of his fellow members in the Popular Party of which he is president, members who want to merge with the PMDB [Brazilian Democratic Party Movement] as a response to the electoral casuistry of the package sent to Congress by the Government, Senator Tancredo Neves does not hide his disappointment and indignation. As a leader of the movement which led to the formation of an alternative party of opposition, he feels betrayed. He spoke of those feelings to Jose Carlos Bardawil of ISTOE.

ISTOE: Last year you were the first to say that the opening had come to a standstill. What about now after the electoral package?

Tancredo: The liberalization process had three phases in the Figueiredo Administration. The first, which began with this oath of "making a democracy of this country," extended to the death of Petronio Portella. The second extended from the death of Petronio to the resignation of Golbery do Couto e Silva. The third, which is its death throes, began with the resignation of Golbery and extended to the writing of the package.

ISTOE: By this do you mean that liberalization is dead?

Tancredo: The opening has begun to collapse. You see, the essential part of the opening was the legalization of the government. The lack of legality is the source of all the institutional crises in which Brazil has been involved since 1964. That legalization was going to be accomplished in the 1982 elections, if the elections were clean, free and honest, as was being announced. It happens, however, that the legalization of the government by popular vote means the possibility of alternation in government on such a broad scale that the incumbents became panic-stricken. That is the reason for the package, which is the freezing of the institutional crisis, the maintenance of the illegality of government and the impossibility of change, in exchange for the preservation of the system by it.

ISTOE: Meanwhile, Planalto Palace argues that everything is being done, and shall be done, within the law, and that the opposition was the first to radicalize when the substate was abolished.

Tancredo: It is necessary to consider, that in the system of government under which we live, not everything that is constitutional is legal and that not everything that is legal is ethical. Constitutional Amendment No 1 granted to the country by the military junta which followed President Costa e Silva is in its spirit and norms a markedly authoritarian document. From it may be drawn legal texts which are extremely drastic and of the greatest degree of restriction of freedoms. It is AI-5 [Institutional Act 5] itself, with trappings of the Constitution, and it allows all the attacks on the basic ethical and juridical principles of the nation.

ISTOE: You did not answer to the criticism of the radicalization of the opposition.

Tancredo: As far as that is concerned, I say that it is a manifest distortion of the truth of the matter. The difference between the government and the opposition was practically eliminated in the agreements which were taking place between the opposition leaders in Congress and Minister Ibrahim Abi-Ackel. The government accepted the holding of elections on the same day. The eligibility of convicted union leaders depended only on a difference of time--the government suggested a period of 3 years of ineligibility and the opposition wanted a period of 2 years because it did not believe there should be discrimination against the leaders of the ABC [Industrial sections of Santo Andre, Sao Bernardo and Sao Caetano do Sul]. The minister did not deny that request by the opposition. He only asked for time to examine it. The last point of the controversy was the appointment of the Governor of Rondonia, who would have the authority to issue decree-laws. The PMDB advocated the election of the government after the constitution of the new state was voted on. However, the meeting of opposition leaders with the minister of justice showed that it would not be an obstacle to an agreement. The PMDB only needed a few hours to give satisfaction to some sections of the party and everything would be arranged. What happened, however, was that as we were ending those talks, top government leaders at Planalto, without even being aware of what the minister would talk about in the meeting he intended to call, emitted the thunderbolts of their political intolerance and blindness. It pushed the opposition against the wall and it decreed the death of the multiparty system. It destroyed the opening. How then can we talk of the radicalism of the opposition? The one who became radicalized was the government by adopting measures which are not in the slightest way proportional to the small differences observed in the dialogue.

ISTOE: Let us talk a little about the linked vote contained in the package. According to the almost always dissident Celio Borja and Aureliano Chaves, that type of vote, contrary to what you say, strengthens the multiparty system.

Tancredo: The linked vote, even on the restricted scale of previous legislation which is still current, that is, between the federal and state deputy, is already a violence against the conscience of a citizen. He should be free to choose his

candidates regardless of the party to which he belongs. The free exercise of the vote is a prerogative of democratic systems. Total linkage, as established by the package, is not only a violence; it is the trapping of a voter in the nets of a political party and the mutilation of his civic conscience. The linked vote, carried to such an extreme, presupposes that each citizen belongs to one party--an absurdity which does not even happen in Soviet Russia, where the members of the Communist Party do not make up one-third of the voting population. Moreover, membership is not mandatory in Brazil. How then can party-line votes be mandatory? Primarily, in addition to that, total linkage was not instituted by the government with a view to the consolidation of the multiparty system. On the contrary, it comes from the need to preserve those in power in command. The package is going to insure a victory for the official party at a time when its resounding defeat was already inevitable.

ISTOE: If the package can prevent the electoral defeat of the government, pragmatically, at least, it will have a justification. Why do you say that the government was politically blind when it wrote it?

Tancredo: The political blindness of the package resides in the fact that in order to guarantee immediate success they lengthened and deepened the abyss between the government and the people. They placed the conflict between the state and society very close to a break.

ISTOE: In other words, you believe the transition of regimes at this time is almost impossible?

Tancredo: It was at least profoundly shaken. The good faith of the people is not defrauded with impunity, people who are already highly politicized and aware of their rights. They lost faith in the word and promises of the government. Today, not even the most naive believe there is sincerity in the statements and promises of our government leaders with respect to the implantation of a democratic order here in Brazil. Therefore, transition ceased to be a political movement of patriotic motivation to become a stagnation filled with sinister portents.

ISTOE: Will there still be a solution for that political crisis, which as you say is on the point of a break?

Tancredo: There could be if the government is willing to relinquish its arrogance and democratically open the road to new negotiations on the amendments which are being presented to the package in Congress. However, if it persists in that inflexible and intransigent attitude, we have every reason to fear dark and unfortunate days for our country.

ISTOE: In that framework of growing radicalization, where does your party, the PP, place itself, in a decidedly liberal and conciliatory position?

Tancredo: The PP believed in the good faith of the invitation by the government for the construction of the multiparty system. When we met, we were profoundly convinced of the obsolescence of the two-party system. At that time it was already a two-party system of the nature of a plebescite and it would have

concluded by creating an institutional impasse. We went into the struggle at the side of distinguished colleagues, facing all the difficulties in the creation of a new party of the center with leanings toward the left, without hates or clashes or reprisals. And when we were already prepared to begin the electoral campaign, came that treacherous blow, that shocking change of the rules of the game. I cannot find words to describe that behavior by the government. I do not want to do it so as not to appear crude.

ISTOE: The PP is, then, the greatest victim of the package because it became electorally inviable?

Tancredo: No, the PP did not become inviable. It has everything for confronting the package, even though undergoing the greatest adversities. However, the package deprived us of the opportunity of becoming a great and powerful party at the service of our people. Because that is what the historic mission of the PP was, that of being the party of transition between authoritarianism and democracy.

ISTOE: It is said that it was the idea of Senator Petronio Portella. Do you not believe that the time has now come to define the role played by Petronio in the formation of the PP?

Tancredo: It is not accurate that the PP emerged at the suggestion of Petronio. Neither is it true that we always worked in common agreement. On the contrary, during the preparation of the party plan, we had radical differences. I opposed the process as it was created; I even warned that he would inevitably conclude by weakening the government party and creating weak opposition parties. My theory was that we should institute a government, not of party unity but of national unity. That is, a government which would cover all segments of society around a minimum program of administrative action, with a preponderance of solutions for the social problem. That government would lead us to a National Constitutional Assembly and it would be there that parties would emerge under the aegis of a constitution. It always seemed to me that the creation of parties in the shadow of an arbitrary government would be to maintain them providing they would not be a threat to the forces in government.

ISTOE: In the meanwhile, you concluded by forming the PP.

Tancredo: I had no alternative. The multiparty system, at any rate, appeared to be an advance. It was a phase for redemocratization and that two-party system was no longer useful to us. We were moving toward an impasse. Moreover, it was implicit that at no time would the promises of observance of democratic norms be broken. Unfortunately, however, they were broken.

ISTOE: Would a merger now be a good solution for the PP?

Tancredo: A year ago, already foreseeing the development of events, I suggested a unification of the opposition through the process of a coalition, which is contained in the law. We managed to hold one meeting in Sao Paulo for that purpose but it did not succeed. The idea however, including because of the instinct of self-preservation of the politicians, was never abandoned. However,



it not being feasible now because of the problems of deadlines, the idea of merging with the PMDB is being studied, something which is also contained in the law. It is a controversial idea in my party. As the president, it is up to me to handle the problem without taking sides so as to obtain a consensus in that respect. If, however, we opt for merger, it will be as a response to the truculence of the government, and it is very necessary that this be made clear.

ISTOE: The adversaries in the internal debate use as a principal argument the fear that the government will act quickly in reprisal against the opposition action. What do you think?

Tancredo: I do not know why the exercise of a right granted to us by the law itself should be considered a confrontation. To prevent compliance with the law, that would indeed be pure arbitrariness. However it would not surprise us, since the times the government has adopted that attitude have been so numerous. It would only cover the nation with shame. At any rate, the subject is under discussion and all hypotheses will be considered.

ISTOE: The legislative debate heated up a great deal in recent days. Senator Passarinho threatens chaos in case the opposition continues to refuse to accept the package. Can the politicians expect the worst under those conditions?

Tancredo: The radicalization cited by Senator Passarinho is precisely the result of the rigid orthodoxy of the government in its efforts to turn the contest which approaches into an imitation of elections. With those rules it will be a farce such as the elections in Paraguay and Bolivia. Only the government is in a position to calm the nation by putting an end to radicalization. The worse thing is that not even those leaders have access to decision making in the government. They are cold, submissive and sad executors of the recommendations transmitted to them with all the inflections of a voice of command.

ISTOE: Do you fear a new military coup?

Tancredo: No. No matter how insensitive our government leaders have shown themselves to be, my profoundly disillusioned patriotism refuses to admit that there is someone in government circles with the spirit to write the last chapter of this tragedy we are living.

ISTOE: At the beginning of the interview you said that the death throes of the opening began with the fall of Golbery. Why?

Tancredo: Because Minister Golbery had a strategy known by all, whose guidelines were established in his lecture at the Superior War School. He advocated liberalization by phases, conducted with safety and without ever allowing a retreat which would place the gains already obtained in danger. With his replacement, a new government was implanted in Brazil, which is much more in the line of Medici than the line of the historic promise made by Figueiredo to the nation. From then on, the opening began to die. And the package demonstrated in turn that the government of liberalization has already ended its activities or at least has gone on vacation.



## PDS PRESIDENT CONFIDENT OF VICTORY DESPITE DIFFICULTIES

Rio de Janeiro JORNAL DO BRASIL in Portuguese 3 Jan 82 p 4

[Article by Paulo Jose Cunha: "Sarney Acknowledges Difficulties but Trusts in PDS Victory"]

[Text] Brasilia--Senator Jose Sarney, president of the PDS [Social Democratic Party], asserts that the test at the polls in 1982 is going to maintain the majority position of his party in Congress. However, he has doubts about the maintenance of an absolute majority, which if it does not happen, will not be a catastrophe for the country.

In an interview, the PDS leader declares that the PDS is remaining alert with respect to the process of merger of the PP [Popular Party] and the PMDB [Brazilian Democratic Party Movement] and that at any moment it could go to the Electoral Court and impugn the action because it considers it prejudicial to its interests and because it grants a privilege to one party, the PMDB, of receiving new members in violation of the legal time periods which regulate the matter.

As far as he is concerned, the PP decision was taken a long time ago because the party never behaved as the standard bearer of the democratic center capable of being an alternative of power and providing political stability in the democratization process.

Even today he defends the substate for the election of governors: "The institution of the substate was valid because it was a coalition of persons and not parties. At the time the opposition believed there could not even be that coalition of persons within the same party, we believed that coalitions of parties and not of persons would be much worse."

## The Interview

[Question] Senator, with the merger, the PP will cease to exist. Does that also mean the end of the political plan devised by the deceased Minister Petronio Portella?

[Answer] The decision the PP has just finished making had already been made. During all the time that it acted as a political party it never ceased to do so within a strictly opposition framework. Even in episodes in which votes by elements of the PP coincided with government positions with respect to plans of interest to the country and of executive initiatives, those positions were absolutely personal. Actually, politically, the PP never behaved as the standard bearer for the democratic center, capable of being an alternative of power and of providing political stability to the country during a democratization process. It always maintained an exclusively opposition stance. Therefore, that merger does nothing more than make a reality out of something which already existed. I believe the plan for the multiparty system depends on society. If a society is a multiparty society and open, political parties have room for representing those segments of society. At a time when the PP assumes that position, that space of a party of the democratic center will be occupied by another party.

[Question] What are the practical effects of that merger for the future?

[Answer] The merger was an attempt to make a coalition to beat the clock. This means that the law forbids coalitions under the terms of the bill the government sent to Congress, and the PP beat that legislation. The merger process, in the way it was done, contains deficiencies of a legal nature which they are going to overcome easily without conflict between the periods of the merger and the periods of the election itself. It is on this aspect that we are going to maintain a careful watch. As far as the political part is concerned, we have nothing to say. It was a decision by the PP and PMDB and they alone can judge it.

[Question] From the electoral point of view, what changes with the merger?

[Answer] I believe that it does not basically change the 1982 electoral picture. As I said, the PP is a party which always was a member of the opposition. From the practical point of view, what could change would be at the level of the electoral college in which it had a nonradical position with respect to the succession to the presidency. It abdicated from that position. From the electoral point of view, the picture in the various states did not change. However, in the case of a state such as Piauí, for example, in which the package made a coalition of the PP and the PMDB impossible, the merger restored that union, which is very important for the good progress of the opposition there.

That is a clear example that it existed, and still exists. In places where the opposition was represented by the PP and the PMDB had no influence, it had to adhere to that position of being another party. The contrary occurred when the PMDB was in a greater majority position, causing a polarization around the PMDB. The PMDB of Piauí had no great electoral influence and it did not elect any deputies. The major political force was the PP and it continues to be that of the PP despite the fact that it is under the name of the PMDB. The electoral position does not change.

[Question] And now, what has become the position of the PDS, which, according to Deputy Prisco Viana, desisted from impugning the merger before the court?

[Answer] We never contested the fact that they could accomplish the merger stipulated by law. What we maintain is that neither the PP nor the PMDB could violate the legal periods because we discovered that in order to accomplish the merger they would have to publish the bylaws and program of the PMDB six months prior to that merger so that all the divisions of the PP could express their opinion on it. Actually, today, after Constitutional Amendment No 11, the functioning of parties should be done on the basis of their programs and that was not complied with.

We also believe that the PP could not transfer thousands of members to the PMDB under conditions of eligibility, when the other parties cannot receive members with these rights. We have to place a legal watch over this aspect because it prejudices our party. We cannot believe that the PMDB has that privilege, particularly because the merger means the extinction of a party, in this case the Popular Party. That device of the merger under the terms of the law, corresponds to a time in which parties of cadres and not parties of the masses existed in Brazil. For more than 30 years our law has been repeating those same devices, which the PP now uses to accomplish its merger. In that era the parties existed only at the top, there were no members obliged to support a program.

Today, the methods of our party organization is based on parties of the masses in which each party is obliged to have membership. There is a legal ritual for that membership and a commitment by the voter to the ideas which make up part of that program. Therefore, a party cannot change any topic of its program without publishing that change 6 months in advance for the information and approval of its members. What happened in the PP decision was that they forced all their members, because of a decision at the top, to accept a program, that of the PMDB, about which they were never even told and on which they had no voice. The PMDB program is diametrically opposed to the PP program.

[Question] How does the PDS intend to insure the right of eligibility of those who belong to a party which has merged with another but who disapproved of that merger?

[Answer] We are examining the possibility of presenting a legislative measure that will make it possible for a member of a party, which has chosen to merge with another, and who is unsatisfied with that decision, to take his membership time with him to join another party without losing his right to eligibility with respect to the coming elections. To do otherwise would be a profoundly unjust measure because we do not believe that the law can discriminate. The law says that all members of a party have equal rights and duties. What is happening is that a part of the PP and a part of the PMDB have the right to go to a party under conditions of eligibility and those who do not approve cannot go to any party. They will be forced to go home. There are several deputies who even admit they will go to the extreme of leaving politics.

[Question] Are there those who believe that the package was not enough to take care of the electoral needs of the PDS and that new packages are still to come? Is that true?

[Answer] No. There is no desire to send out another legislative action. The legislation for the linking of votes is only an extension, because the linkage for state and federal deputies has existed for a long time. It would be impossible in any democratic country of the world to think of a voter voting for the president of the republic from one party and for a state deputy from another. On the contrary, all democratic countries of the world have systems based on political parties which have their voters; those voters are loyal and have the freedom of choice in their party.

I know of no legislation in an advanced democracy in the Western World which allows party coalitions, creating a new party through them. On the contrary, in any democratic country in the world, that would be the destruction of the party system. We know today that modern democracy only functions on the basis of political parties. They are the instruments capable of generating and handling power in the free democratic system. Without the existence of strong political parties, which occupy their own space, which disseminate their ideas and have their cadres, it is impossible for democracy to function. Brazilian political instability is in great part the result of party instability.

[Question] If coalitions are so bad why did the government and the PDS struggle for the approval of the substate for governors?

[Answer] The parties are new and for that reason they are not yet perfectly structured. We are seeking a democratic improvement in a democratization process. We have to adapt that situation to the present situation of the country. With this realism that the parties are not perfectly structured is how Brazil has always had a tradition of regional parties. We accepted the fact that all party factions would take part in the contest in this election. The institution of the substates was valid because they were coalitions of people and not of parties.

When the opposition understood there could not be that coalition of people within one party, we understood that a coalition of parties and not of people would be much worse. A coalition of people would maintain party consistency around the same program, the same ideas, the same political action. A coalition of parties would not do because it would distort each of them. The voter would not know whether he was voting for one party or the other. He would be voting for a front, which means that the objective of the coalition is simply electoral and not institutional.

[Question] With respect to the so-called small parties, Senator, is there the willingness to change legislation to insure their survival?

[Answer] I believe that we cannot create inflexible legislation which makes the life of the small parties impossible. When Amendment No 11 was created, it had the objective of preventing an extensive proliferation of parties, something which is also one of the evils which weaken the institutional system. The 1964 crisis was a crisis of parties. We had more than 14 parties, which means that we did not have any party. It was in this sense, that of preventing such proliferation, that requirements were established. However, if those requirements



showed themselves in practice to be inflexible and capable of restricting the life of those parties which today are small but tomorrow could be great, we must change that legislation.

[Question] As president of the PDS, could you make a forecast of the electoral chances of your party? In how many states, for example, is the PDS in a position to win?

[Answer] I cannot make a numerical analysis of how many states, but I believe that our position is very good. We are the best structured party in the country. We have great leaders in all the states and little by little we are emerging from that phase in which the placing of those leaders created problems. Today we have greater unity, a more unitarian view of the political fact; we are unifying our language more and more. The PDS is occupying the space of a party of the center, a democratic party. Afonso Arinos had the opportunity to say that the PDS was the most Brazilian of all the parties. He said that, not in the sense that the other parties are not Brazilian, but in the sense that we do not have any resentments against anyone: not against the military, professors, students or religious groups. We are the party which is not against anyone. At the same time, we still find a large amount of resentment in the other parties against certain segments of society.

We are emerging from those problems, which could hinder the victorious participation of the PDS in the election, such as the economic situation and the social difficulties of the country. Brazil is going through this stormy moment for the entire world in which world economies entered into crisis because of the problem of petroleum. Brazil is undergoing that crisis without great damage and we are going to reach the end of the year with an economy showing tendencies of controlling the rates of inflation, which were rising but which are now declining, and a rate of unemployment which reached its peak and has fallen considerably. The economy, which had its industrial sector practically paralyzed, is showing signs of reactivation. In short, the country is beginning to emerge from those problems. That is also due to the excellent performance the country had in the energy sector last year. We managed to reduce consumption of petroleum and stabilize our imports, increasing our discoveries of new reserves.

The programs of construction of our hydroelectric plants is in keeping with their timetables. The discovery of gold and strategic minerals, all that means that the country is beginning to overcome the period, which was perhaps the most difficult in the past years of its history. This is so much so that President Figueiredo has just been chosen the statesman of Latin America because we managed to undergo a period of political democratization, which is a difficult period, of adaptation of institutions, emerging from a standby system, and facing very serious a world economic crisis. We overcame those two problems which served to multiply our difficulties. However, since we all believe in the potential of Brazil, we are overcoming them. Those who were relying on chaos are losing because chaos did not appear.

[Question] Deputy Nelson Marchezan, despite the good prospects you point out now, believes that the PDS will not return as a majority party to Congress in 1982....

[Answer] With all our leaders and party structure, there is no chance that we shall not return as a majority. What can be said is that perhaps we will not have an absolute majority within the Congress; the majority party never has an absolute majority. It lives, naturally, from alliances formed around proposals. However, I expect the PDS will have an absolute majority and even if this does not happen, it will not be a catastrophe, nor will it mean a decline in the capacity of the party.

8908

CSO: 3001/64

## 'INFORMAL' MINISTRY OF FOREIGN TRADE AROUSES OPPOSITION

## Informal Ministry of Foreign Trade

Sao Paulo FOLHA DE SAO PAULO in Portuguese 4 Jan 82 p 11

[Article by Helival Rios]

[Text] Brasilia--The Ministry of Finance's General Secretariat is to be transformed into an informal ministry--but one really capable of exercising control over the country's export policy--in 1982. The objective is to insure a surplus of \$3 billion in the trade balance.

After considering the establishment of a Ministry of Foreign Trade, the government reached the conclusion that to do so would be extremely burdensome, since it would bureaucratize the structure that already exists to support exports and generate more expenditures in the budget, which is already somewhat tight.

The result was that a simpler idea prevailed--that of setting up a "ministry" of foreign trade, but one informal in character. Its "minister" will be Carlos Viacava, secretary general of the Ministry of Finance, who during 1981, and especially during the second half of the year, tried to exercise administrative leadership over the economic policy now in effect. His attempt was considered highly successful by Delfim Netto, minister-chief of the Planning Secretariat of the Presidency, and by Minister of Finance Ernane Galveas.

The attempt to centralize control over the export policy in the Ministry of Finance's General Secretariat is even said to have been singled out by the ministers as one of the main factors permitting the country to achieve a surplus of \$1.2 billion in the trade balance for 1981. But what was done in 1981 was only an experiment. This year--in 1982--that control over the export policy will be established in a more systematic and organized manner. The Ministry of Finance's secretary general will also be given greater powers so that he can in fact exercise that function.

## Structure

The Ministry of Finance's General Secretariat will be beefed up by adding more technicians specializing in foreign trade. They will form task forces to study specific export sectors (footwear, steel plate, edible oils, coffee, sugar, and so on). The task forces will include technicians appointed by other ministries and organizations

such as CACEX (Foreign Trade Department), the IAA (Sugar and Alcohol Institute), the IBC (Brazilian Coffee Institute), and the Central Bank, as well as technicians from organizations in the private sector. The work of all of them will be coordinated by the Ministry of Finance's General Secretariat.

The new structure of the "informal ministry" of foreign trade will include new administrative sections capable of keeping track of the export sector's entire performance in a systematic manner and in close cooperation with CACEX. They will also seek to maintain permanent dialogue with the exporters as a way of identifying bottlenecks in exports before they actually occur.

An attempt will also be made to stimulate more dynamic coordination in the establishment of export consortiums so as to attract a greater number of small and medium-sized businessmen to the domestic market [as published].

In order to coordinate the national export policy, the Ministry of Finance's General Secretariat will rely basically on four sources of information: CACEX, which will supply the figures on actual shipments by exporters based on purchase orders, shipping permits, and so on; the Trade Promotion Department of the Ministry of Foreign Affairs, which gathers data on market behavior and trade prospects from all of Brazil's embassies abroad; autonomous bodies or organizations in the private sector, which will provide information on the requirements of importers and other data of a practical nature; and, lastly, international organizations such as GATT, the IDB, the IBRD, and so on.

The information received from those four basic sources will be processed and consolidated at the Ministry of Finance's General Secretariat and will automatically aid in carrying out the export policy.

#### Goals

The entire effort to establish this new structure for controlling the export policy is aimed basically at insuring that Brazil achieves a surplus of \$3 billion in its trade balance this year. Foreign interest rates are expected to decline to some extent, with a salutary effect on commodities, and petroleum prices are expected to remain stable. Those are the other decisive factors in helping to achieve the goal of \$3 billion, which will consist of \$28 billion in exports and \$25 billion in imports (an increase of 19.1 percent in exports and of 12.1 percent in imports).

Exports of industrial products (manufactures and semimanufactures) are to reach the neighborhood of \$17 billion according to the goals established, for an increase of 23.2 percent, while primary products are to reach \$11 billion, or 13.4 percent more than the customs value recorded last year. In the case of coffee, there should be a recovery of the losses experienced to date, with exports bringing in \$2.6 billion, compared to \$1.8 billion in 1981.

Of the estimated \$25 billion in imports for this year, the physical volume of petroleum should remain at about 830,000 barrels daily or even drop to the neighborhood of 750,000 barrels, depending on domestic production. The country should not spend over \$10 billion on petroleum purchases, which are to be offset at least in part by the \$3 billion earned on exports to the Middle East.



## Opposition to 'Ministry'

Sao Paulo FOLHA DE SAO PAULO in Portuguese 5 Jan 82 p 17

[Text] Brasilia--The Ministries of Finance and Planning received a number of protests yesterday concerning the establishment this year of the "informal ministry" of foreign trade, which Minister Delfim Netto has decided will be subordinate to the Ministry of Finance's General Secretariat. Concerned about the reaction from other areas of government, which apparently reject the Ministry of Finance's leadership, Secretary Carlos Viacava, who is currently in Sao Paulo, has asked the ministry's press chief by telephone to withhold that information.

According to some rumors circulating yesterday in the Ministry of Finance, Carlos Viacava wants to avoid any friction that would hamper the government's efforts to coordinate the country's export activities, as well as any "jealousies on the part of other areas involved in the matter but at the same hierarchical level as his secretariat." They also point out that the secretary general of finance "is not at all insisting on assuming any leadership as far as control of the export policy is concerned. He is doing no more than carrying out the duties assigned to him by the government."

Questioned about the matter, a source in the Ministry of Finance reacted by saying it was useless to argue about the "modus operandi" of the export policy, since the most important thing, and the thing that ought to be discussed, is the policy and its final objectives. The essential thing, he emphasized, is that Brazil should achieve a surplus of at least \$3 billion in its trade balance for 1982. Becoming preoccupied with who is going to exercise administrative control over that policy in practice is a useless exercise, he said. It does not matter whether control is exercised by Carlos Viacava, Benedito Moreira (of CACEX), Paulo Tarso Flecha de Lima (of the Trade Promotion Department in the Ministry of Foreign Affairs), or all of them together. For the present government, the important thing is that the objectives of its export policy be achieved.

Commenting on the establishment of the "informal ministry" of foreign trade, a technician in the Ministry of Finance simply said that there was nothing new about the information itself, since control of the government's foreign trade policy is already being exercised by the Ministry of Finance's General Secretariat and has been since Eduardo de Carvalho was replaced by Carlos Viacava. And he added sarcastically: "Well, I'll be darned! You didn't know that, did you?"

11798

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## CENSUS OF 1980 PUTS TOTAL POPULATION AT ABOUT 119 MILLION

Brasilia CORREIO BRAZILIENSE in Portuguese 15 Jan 82 p 9

[Text] Rio de Janeiro--IBGE [Brazilian Institute of Geography and Statistics] President Jesse Montello called a press conference yesterday morning to report the preliminary results of the 1980 census, "brought up to date by highly reliable sampling procedures," he explained.

The aggregate data indicate that Brazil's total population was 119,070,865 in September 1980, of which 59.1 million were male and 59.9 million were female. According to location of residence, 80.4 million are in urban areas and 38.6 million are in rural areas.

Regarding religion, the data show that 106.1 million persons say they are Roman Catholic, 7.8 million are Protestant, 1.6 million are Kardecist or Afro-Brazilian spiritists, 197,800 practice oriental religions, 944,200 claim other religions and 1.8 million have no religion. Another 218,800 made no answer to this question.

The census reports the following about marital status:

Of the 74.6 million persons 15 years or older, 24.7 million are single and 43.3 million are married. There are 1.9 million separated, legally separated or divorced and another 3.8 million are widows or widowers. Of the population in this age group, 34.6 million are men, of which 13.2 million are single, 21.7 million are married and 591,900 are separated, legally separated or divorced and 659,900 are widowers. There are 37.9 million women in this age group, of which 11.4 million are single, 21.6 million are married, 1.3 million are separated, legally separated or divorced and 3.1 million are widows.

The data also indicate there are 24.3 million who have migrated during the last 10 years, residing primarily in Sao Paulo (4.6 million), Parana (3.08 million), Minas Gerais (2.8 million), Rio Grande do Sul (1.6 million), Bahia (1.5 million), Pernambuco (1.3 million), Rio de Janeiro (1.3 million) and Goias (1.1 million).

Of the 24.8 million students 5 years or older, 703,200 are in pre-school and 19.7 million are in elementary school, comprised of 4.5 million in the first grade, 3.3 million in the second, 2.8 million in the third, 2.4 million in the fourth and 6.4 million between the fifth and eighth grades. There are 104,400 enrolled in ungraded alternative schools. Secondary-school enrollment is 3.03 million and higher education accounts for 1.3 million; 35,800 are pursuing master's or doctoral degrees.

Figures on fertility among women 15 years or older show that, of the total of 37.2 million, 24.4 million had children.

Data referring to the work force of persons 10 years or older indicate that of the 88.1 million total there are 61.1 million in urban areas and 27.02 million in rural areas; 13.5 million are between 10 and 14 years of age, 13.2 million are between 15 and 19 years, 11.6 million are 20 to 24 years old, 9.7 million are 25 to 29 and 14.2 million are in the 30-to-39-year group. Of the same total, 43.7 million are "economically active," of which 5.1 million received up to 1/2 the minimum wage at the time of the census; 8.1 million received between 1/2 and 1 times the minimum wage; 12.2 million, between 1 and 2 times the minimum wage; 5.5 million received between 2 and 3 times the minimum wage; 4.8 million received between 3 and 5 times the minimum wage; 3.2 million, between 5 and 10 times the minimum wage; 1.3 million, between 10 and 20 times the minimum wage; 659,400 received over 20 times the minimum wage and 3.2 million said they received no payment.

The economically-active population is divided as follows according to the status of their principal occupation: 28.6 million are employees, 10.6 million are self-employed, 1.1 million are employers and 2.2 million are not paid.

Classified according to the number of hours worked per week, 424,500 work less than 15 hours; 2.1 million, from 15 to 29 hours; 4.1 million, from 30 to 39 hours; 23.8 million, from 40 to 48 hours; and 11.9 million work 48 hours or more.

Also according to IBGE data, of the 27.9 million families living in private dwellings, 5.5 million consist of 3 persons and 5.1 million have 4 persons. There are 19.3 million such families in urban areas and 8.5 million in rural areas. There are 26.4 million permanent private dwellings, housing 117.9 million persons.

Of total residences, 16.1 million are owned by the occupant, 5.6 million are rented and 4.1 million are provided by others. Over 14 million are supplied by public water systems, 8 million by well or spring water and 4.2 million by other means. Of sanitary facilities, 6.9 million are connected to public sewerage systems, a little over 4 million use septic tanks and about 8 million have a privy; 1.1 million use some other form of sanitary facility and 6 million houses have none at all.

Bottled gas supplies 15.7 million homes and piped gas is available to 497,700; 8.4 million use a wood-burning stove and 1.4 million cook with coal or charcoal. There are 3.2 million homes with a telephone, 17.8 million with electric light, a little over 20 million with a radio, 13 million with refrigerator and 14.5 million with television; 5.9 million have an automobile or utility vehicle.

The literacy rate--which does not count as literate persons who learned to read and write but forgot how and those who can only sign their own name--increased for all sex and age categories. Between 1970 and 1980 it increased 61.56 percent to 68.72 percent in the population 5 years and older; from 67.95 percent to 74.5 percent in the 10-and-over age group; and from 66.89 percent to 73.92 percent in the population 15 years and older.

Data referring to color show that between September 1960 [sic; 1970?] and September 1980 the white population's relative share decreased from 61.03 percent to 54.77

percent; blacks decreased from 8.71 percent to 5.89 percent; and yellow, from 0.69 percent to 0.63 percent. The relative share of the brown-skinned population increased from 29.5 percent to 38.45 percent during the same period; this category includes mulattoes, mestizos, Indians, "caboclos" [part Indian], "mamelucos" [white and Indian mixture], "cafusos" [offspring of Indian and black], etc.

The comparative findings reported by the IBGE also show that the economically-active population 10 years or older increased between 1970 and 1980 from 44.88 percent to 49.68 of the total [population in that age group].

According to sector of economic activity, the largest portion continues to be in agriculture and livestock, forestry and fishing, although its relative weight fell during the period from 19.87 percent to 14.88 percent. Manufacturing industry increased its share of the economically-active population from 4.92 percent to 7.78 percent; construction, from 2.61 percent to 3.57 percent; and the service sector, from 5.96 percent to 8.04 percent.

According to the same data, the number of permanent private dwellings, which was 17.6 million in 1970, increased to 26.4 million in 1980, including 18.2 million urban and 8.2 million rural dwellings.

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## CNBB OFFICIAL APPROVES USUCAPTION, OPPOSES PARTISANSHIP BY CEB'S

Sao Paulo VEJA in Portuguese 30 Dec 81 pp 3-4, 6

[Interview with Dom Luciano M. de Almeida, secretary general of the National Conference of Brazilian Bishops (CNBB) by Luiz Claudio Cunha and Moacir de Oliveira Filho, in Sao Paulo before Christmas]

[Text] The soft and articulate speech of Dom Luciano Mendes de Almeida--a 51-year-old Rio native who donned the cassock at the age of 17 convinced that he would have a discreet missionary life--has been resounding in the halls of power since 1979, when he assumed the position of secretary general of the National Conference of Brazilian Bishops (CNBB). An able negotiator, he had a 3-hour talk with Minister Leitaõ de Abreu in the Ipe Grange a few weeks ago. "To dialog is to be a Christian," he says. But Dom Luciano is capable of canceling that phrase in the face of certain grievances.

In early November, for example, he waited 3 hours in the outer office of Minister Ibrahim Abi-Ackel, who had summoned him to inform him of the release of the French priests Francisco Gouriou and Aristides Camio. On opening the door, the minister was holding in his hand an order of preventive arrest issued by the military magistracy of Belem. "As long as Abi-Ackel is there, I will not return to the ministry," said Dom Luciano.

However, that beginning violinist and inactive chess player because of a lack of time rarely crosses out names from his list of interlocutors. "I am not progressive, moderate or conservative," he says. "I am merely a servant." The auxiliary bishop of Sao Paulo, he gets along well with both Dom Paulo Evaristo Arns and conservative princes of the church--a virtue that makes him one of the CNBB's key pieces and accredits him for delicate talks with government people during the 3 weekdays he spends in Brasilia. Shortly before Christmas, Dom Luciano reserved 4 hours of that busy agenda to speak to VEJA:

## The Liberalization Process Requires Just Laws

[Question] Does the church believe in the political liberalization process?

[Answer] There have been real demonstrations of sincerity, the product of the yearning for a more just and fraternal social order. I cannot forget amnesty, for example. However, this liberalization process which is derived from respect for

the promotion of freedom, indispensable for democracy, requires just and stable laws. The sudden change of the rules of political participation can lead us to electoral contrivance. That shows a fear of trusting in the decision of the people. Sudden and imposed changes create disillusion and can seriously hurt the process of consolidating the political liberalization process. The changing of laws is not justified when it is aimed to benefit groups or parties.

[Question] Does the church engage in politics?

[Answer] Politics is the quest for the common good and it is obvious that the church should contribute to the formation of political awareness. It cannot remain aloof in the face of social and political problems because they always include an ethical dimension. The church has the responsibility of impressing the values of the dignity of the individual on the ethical dimension of the political decisions, on which depends the future of millions of people. In today's turbulent world, we have the duty of cooperating toward the advent of a new order that will promote the good of all, beyond the privileges of minorities and the restrictions of freedom.

[Question] But some sectors of the church have shown party preferences....

[Answer] The position of the church is clear on that score: it does not favor parties.

[Question] Not even the Workers Party (PT)?

[Answer] The church is committed only to the establishment and consolidation of social justice. It does not identify with any party. It can and it should expose shortcomings and the valuelessness of specific programs, when they support false principles and disregard the individual. The choice of a party is the free choice of each citizen.

[Question] But there are Grassroots Church Communities (CEB's) that openly advocate voting for the PT.

[Answer] The act of voting is a personal problem. The church does not anticipate decisions concerning parties but concerning values. Only that attitude can prevent a party, regardless of how acceptable it may be at the moment, from limiting the free exercise of creativity and political participation in the future.

[Question] Do you not think that the primers of the dioceses openly promote the PT?

[Answer] There has been exaggeration in that regard. I am more familiar with the case of Sao Paulo, where, in a primer, the design of darts with party acronyms placed the PT acronym in the most favorable position. That was the individual act of the artist, and to avoid any error, we immediately replaced the illustration with another where the darts do not have anything written on them. Also, I do not understand why such a big problem over a simple dart.

## Usucaption Shakes Large Land Ownership Structure

[Question] And how about the primers of the most radical wing of the church, the Land Pastoral Committee (CPT)?

[Answer] What is radical is not the wing but the seriousness of the problem that it faces. Who can doubt that the land problem is one of the most serious? The CPT has the merit of reiterating that seriousness, pointing out areas of conflict, of injustices, of disregard for the homesteaders, even when no other voice is raised on behalf of justice. That is why many times it is not understood and is attacked for defending the rights of the individual violated by greedy projects.

[Question] Is the CPT an official organ of the Church?

[Answer] It seeks to carry out the social doctrine of the church with reference to the problems of the land. It is an organ linked to the CNBB. It has statutory autonomy and operates in harmony with the bishops in the various dioceses. In its sometimes heroic struggle on behalf of justice for the man on the farm, it reflects one of the deepest aspirations of the church in Brazil.

[Question] Were the French priests Aristides Gamio and Francisco Couriou subverting order?

[Answer] I know the case well and I regret the course that the problem is taking. We all yearn for order but it requires objective conditions of justice. The Araguaia area has been the scene of numerous social conflicts. The priests are accused of raising the awareness of the peasants with regard to their rights and of inducing them to assume attitudes that were violent and tending toward the subversion of order. However, it was not the priests who generated the conflicts. They are very old and have been awaiting solution for years. In recent months, I conveyed numerous reports of injustices against homesteaders to the authorities. Months before the incident for which the 13 homesteaders and the two priests are blamed, the homesteader "Gringo," the union leader in the area, was murdered. Thus far, that incident has not received any attention. Many other homesteaders continue to be the victims of expulsion from their land at gunpoint. The solution will only come with effective and profound concern for the land problem. For years, the church has been warning about this point. It is not possible in a country such as ours, with so much arable land, that deserving working conditions cannot be given to the peasants.

[Question] Do you believe the priests are going to be found guilty?

[Answer] That would be regrettable. Through its most authoritative voices, the church has been hoping that a trial based on truth and justice will be assured. The presidential directive--a noble gesture--halted the expulsion process. However, there are two serious points that deserve attention. First, there is no reason for the priests and the homesteaders to remain in prison. Secondly, the homesteaders, unfortunately, are visited frequently by Lt Col Sebastiao Rodrigues de Moura, "Major Curio." That leads us to think that the minimum conditions of objectivity are not being assured. Why can the lieutenant colonel enter the prison at any time? Only free depositions can guarantee a fair trial.

[Question] Are you certain that the priests are innocent?

[Answer] I declare before the nation my conviction of the innocence of the priests. I regret the great play of land ownership and political interests that are at the root of this trial.

[Question] Will the special usucaption plan help to resolve the land problem?

[Answer] That new law has a positive side. It is going to help some homesteaders. In addition, it shakes the land ownership structure, when the latter leaves the land uncultivated. However, it cannot become a dead letter, from not being able to be implemented because of legal complications. Worse still if, because of a lack of control and communication, homesteaders included in the law were to be evicted from the land without enjoying its benefits. This law will have a positive effect by being the first step to lend merit to the man on the farm, to defend the priority of work over property, and to affirm the social function of property, permitting the land to produce and to belong to the person who works it. All of that leads to the need for agrarian justice and an adequate, more encompassing agrarian reform which also covers the cases not affected by the usucaption.

I think of the Homesteaders Evicted From the Land

[Question] Is the usucaption law going to improve church relations with the government?

[Answer] What matters in the first place is not the relationship between the church and state but the relationship of both with the people. A modification of the law of the usucaption type, which aims only at the welfare of the homesteader, is not sufficient. To be consistent, the legislator should be willing to arrive at more effective measures, assuring title to the land and the right to work and housing also for those who do not fulfill the conditions for usucaption. In a breadline, if you feed those who have been waiting for 5 hours, that is good, but it is not enough. Others are also hungry, and perhaps even more so.

[Question] So the church supports radical solutions? An agrarian reform, for example?

[Answer] The problem is not in philosophizing about the word "radical." What matters is that that reform be adequate to the current needs of the man on the farm and really feasible within the national balance.

[Question] At present, are the relations between the church and state good?

[Answer] Both the church and the state must fulfill their mission. Always seeking the common good, they will always meet. We must admit humbly that there have been shortcomings resulting from the limitations of the persons who act in the name of the church or who govern the state. In recent times, tensions increased as a result of specific situations that should demand honest discretion. Unfortunately, when the ethical dimension is affected, the church has the duty of pointing it out, indicating the shortcoming, correcting it itself or asking that it be corrected by the state.



[Question] On what occasions was that type of admonition necessary?

[Answer] The dignity of the individual requires economic development. The necessary reforms advocated by John Paul II are not taking place in such a way as to insure the uplifting of the low income classes in a short term. I think of the homesteaders evicted from lands because of agricultural-livestock projects, of the growing unemployment, and of the invasion of the Indian areas. To be faithful to its mission of evangelizing man and society, the church must adapt political and economic development to social development. Without that, we will slide toward the domination and exploitation of the individual. In your own home, you can accumulate more money and pay your debts if you reduce the costs of feeding your children, but that is wrong.

It is Possible To Dialog With the Government

[Question] Have the tensions between the church and the state decreased in recent months?

[Answer] The dialog continues at various levels. There are concrete goals that have not yet been achieved. For example, the greater promotion of education, better health conditions, respect for Indian cultures, promotion of the right to life from the first moment of conception, full recognition of the dignity of foreigners, and the creation of intermediate groups of popular participation. It is a long road in which some points are being raised little by little.

[Question] What contributed to improving the understanding?

[Answer] Some benefits in the Statute on Foreigners, the announcement of larger appropriations for education, the greater relaxation in the current administration of the National Indian Foundation (FUNAI)--with the hope of the creation of Indian parks--and the expectation of more appropriate laws for the use of urban land.

[Question] Is it easier to talk to the current administration than to the previous ones?

[Answer] Today it is easier to witness processes of popular organization in which groups of people assume direct participation in gaining their rights and in the fulfillment of their duties. Representation by means of ecclesiastic authority in these cases is minor. However, whenever it concerns matters connected with the dignity of the individual at the national level, that representation should not be lacking. And there is no doubt that it has been, at least partially, possible in this administration.

[Question] Do you admit that the church is divided?

[Answer] We all know that there are bishops with different positions. Suffice it to read the statements of Dom Jose Maria Pires and Dom Vicente Scherer.

[Question] How can those differences be explained?

[Answer] The effort of the whole church must be to grow in union, according to the words of Jesus Christ. In matters of faith and morals, there is a great unity. On other points, there is a wholesome pluralism of positions. The apparent contradictions among the bishops are caused in large part by the situation in which each one finds himself. One stresses the spiritual side more. Another insists on the social side. All of them seek to take care of the whole man.

[Question] Some bishops hold the position that the church is on the side of the people and the government is against the people.

[Answer] Many Brazilians live in inhuman conditions of nutrition, education, health and employment. That generates discontent, but the fault is not the government's alone. That situation is the product of a selfish and consumerist mentality that affects all of us. Savage capitalism is as pernicious as Marxist totalitarianism. Only urgent and necessary changes that will facilitate the people's access to the benefits of development will permit rapprochement between the poor classes and the leaders of the political process. By insisting, by virtue of its mission, on the need for a priority social development, the church is identifying with the just aspirations of the people. I wonder if it is not the government that is drawing away from the people?

[Question] Does birth control draw the church away from the government?

[Answer] The church always defends the value of human life as a gift of God. Any birth control policy openly violates the dignity of the individual. I admit that the government has not promoted contraceptive campaigns; in recent years, the natural method, which respects responsible paternity, has been publicized. However, there are activities by private groups that continue to operate freely along a contraceptive line that cannot be approved by the church. I recognize in the official actions of Ministry Waldir Arcoverde a sincere respect for Christian values.

#### The Elections Must Be Free

[Question] The military of the "intelligence community" accuse priests and grass-roots communities of carrying out subversive activities, including inciting the people to armed struggle.

[Answer] Violence will never be an evangelical attitude. The fight for justice, yes. The individual cannot be degraded. Those who accuse the CEB's would do well to visit them. As for infiltration, it can exist anywhere but a CEB seeks to have a critical spirit to discern its values and attitudes. Speaking of infiltration is often a cliché, the product of an ideological position of the one who accuses and fears what he does not know.

[Question] Do you view 1982 with optimism?

[Answer] Yes. First of all, I believe in God. But I also believe in human solidarity, in the force of love, in the capacity for forgiveness, in the moral

reserves of the people, ever more aware and willing to participate in national life.

[Question] Are the elections included in that optimistic vision?

[Answer] The important thing is not the election but rather that the election process be free, conscientious and capable of permitting the selection of people who will give priority to the common good. That requires great trust in God.

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## FIGUEIREDO ADMINISTRATION PRESTIGE GAINS IN BUSINESS COMMUNITY

Rio de Janeiro JORNAL DO BRASIL in Portuguese 9 Jan 82 p 13

[Text] Sao Paulo--After 1 year in decline, the prestige of the Figueiredo administration and especially of the ministers in the economic area--with particular emphasis on Planning Minister Delfim Neto--has risen again in the business community.

A survey conducted every 6 months by the magazine EXAME among executives, boards of directors, shows that neither the election "package" nor the social welfare crisis succeeded in shaking the degree of confidence in the government, restored as a result of the surplus in the trade balance and the drop in inflation.

#### The Survey

The general feeling is that the worst is past and for that reason the Figueredo government was considered "excellent" and "good" by 31.5 percent of those interviewed (in January 1981 the figure was 21.6 percent), "fair" by 49.6 percent (51.6 percent in January 1981) and "poor" and "very poor" by only 18.9 percent (compared with 26.7 percent in the first month of last year).

The great majority of the businessmen is not banking on a radical improvement of the economic picture. With regard to the growth of the gross national product, the estimates are modest. The responses indicate a predicted average growth of 3.9 percent with the most frequent estimates being 5 percent and 3 percent. Some--3 percent--believe in a setback; and 6 percent of those interviewed expect a growth of 7 percent.

The businessmen set an average inflation rate of 86.6 percent compared to the official prediction of 70 percent. The most frequent replies were 90 and 85 percent. For monetary correction, the prediction was a readjustment of 80.5 percent and 82.7 percent for the exchange readjustment.

"In the event that prediction comes to pass," observes the magazine EXAME, "that will mean that the interest rates will continue to be high throughout the year, despite the complaints from all organizations representing business and commerce against the financial policy in effect."



With regard to the wage correction rates, the average derived from the survey was 84.9 percent (the most frequent reply was 80 percent).

#### Recovery of Delfim

Of all the ministers in the economic area, the best performance in the last survey was attributed to Planning Minister Delfim Neto, crucified in the previous ones for being the strategist of the recessive policy. In January 1981, 41 percent of the businessmen described the minister's performance as "poor," and "very poor"; 37 percent considered it "fair" and only 22 percent considered it "excellent" and "good."

In the last survey, he obtained the best averages from among the five economic ministers: 43.1 percent of the businessmen consider him "excellent" and "good"; 34.2 percent "fair"; and only 22.7 percent "poor" and "very poor." Just as occurred in judging the administration, the small businesses were the most generous: 46.2 percent of the votes, compared to 30.8 percent of the big businesses, are in the category of "excellent" and "good."

The recovery of Delfim Neto's prestige is not complete. It does not come anywhere near the confidence that the business community bestowed on him at the time he took over the Planning Ministry. In the view of the businessmen, the rise of Delfim signaled the dispelling of the threats of recession and the return to developmental vigor. In January 1980, 69.3 percent of the votes received rated Delfim in the category "excellent" and "good"; 25.4 percent "fair," and 5.2 percent "poor" and "very poor."

Another minister who improved his image among the businessmen was Finance Minister Ernane Galveas, who in January 1981 received 57.8 percent of votes rating him "poor" and "very poor." This time he is considered "excellent" and "good" by 16 percent of those interviewed, "fair" by 46.7 percent, and "poor" and "very poor" by 36.4 percent.

The one who lost prestige was Labor Minister Murilo Macedo, responsible for the businessmen's discontent with his wage policy. From June to January of this year, the percentage of "excellent" and "good" votes given to Murilo Macedo dropped from 35.2 percent to 28.7 percent, while that of "fair," and "poor" and "very poor" increased from 35.2 percent to 38.4 percent, and from 29.6 percent to 32.9 percent, respectively.

Minister of Industry and Commerce Camilo Penna also received a meager vote. Opinions regarding him remained almost unchanged. The percentage of "excellent" and "good" went from 18.7 percent to 18.6 percent, while that of "fair" increased from 35.9 percent to 44.5 percent, and that of "poor" and "very poor" dropped from 45.5 percent to 36.9 percent.

Minister of Mines and Energy Cesar Cals improved his image in the business community. But he still received a low percentage of "excellent" and "good" votes --only 12 percent, an improvement, though, over the previous survey when the figure was 7.5 percent.

8711

CSO: 3001/67

## NATIONAL SECURITY LAW ACTION SOUGHT FOR PCB PUBLISHERS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Jan 82 p 10

[Text] A petition has already been forwarded to the Military Magistracy of Sao Paulo to charge Lindolfo Silva and Regis Fratte, the proprietors of the Jurua Publishing House, the company that publishes the communist newspaper, VOZ DA UNIDADE, under the National Security Law. They were charged by the federal police of Sao Paulo with disseminating subversive propaganda, namely, the booklet NOVOS RUMOS, published in commemoration of the 60th anniversary of the founding of the Brazilian Communist Party (PCB).

Last week, Federal Police Chief Marco Antonio Veronesi seized 110 copies of NOVOS RUMOS that were in the publishing house, while another 105 booklets were confiscated in Campo Grande, Mato Grosso do Sul. In the court action, the two publishers are charged under Section 1 of Article 42 of the National Security Law. The federal police yesterday refused to give any information about the case and the content of the booklet seized.

"It was an unreserved outrage," declared Lindolfo Silva. "There was no reason for that charge because the matter pertains to the booklet, which does not contain anything more than what is already known, and known for many years. It commemorates the 60th anniversary of the founding of the PCB and marks the political and social events of Brazil and the world, such as the first strike that occurred in Sao Paulo, the date of the victory of the Cuban Revolution and the disappearance of scores of people in recent years, for example. It has 100 pages, does not contain any photographs and its printing of 3,000 copies was being sold at 600 cruzeiros."

Lindolf said he has hopes that the Military Magistracy will reject the charge; otherwise, he and his partner will adopt a line of defense based on the "right to express our thoughts, which, furthermore, is guaranteed to all Brazilians. We did not commit any crime, because the sale of the booklets did not represent an attempt to reorganize the PCB." Commenting on the possible reasons for the incident, Lindolfo Silva said he feared "another rise of anticommunism in Brazil."

## Witch-Hunt

The chairman of the Justice and Peace Committee of the archdioceses of Sao Paulo, attorney Jose Gregori, believes that the charge "has the look of a witch-hunt

during the grace period of the amnesty, inasmuch as all the provisions of that law have not yet been implemented. That court action is an exaggeration. In a country with so many and such serious problems, there are still people who want to insist that the printing of books is a crime."

The chairman of the Sao Paulo section of the Brazilian Bar Association (OAB) Jose de Castro Bigi, also condemned the petition to charge the two publishers [under the National Security Law]: "That does not help the country to refine the process of liberalization nor is it justified in a democratic regime. Nobody can be tried for sustaining ideas. It is necessary to revise the National Security Law, a law framed for a period of special legislation," which Bigi believes has passed.

8711

CSO: 3001/67

INTERVIEW WITH NEW LEADER OF NATIONAL STUDENTS UNION

Sao Paulo FOLHA DE SAO PAULO in Portuguese 27 Dec 81 p 16

[Interview with Francisco Javier Alfaia, newly elected president of the National Students Union [UNE], by Irede Cardoso of FOLHA DE SAO PAULO; date time and place not indicated]

[Text] Basketball, theater and politics are the main points around which rotates the life of the recently sworn in president of the UNE, the young, athletic Spanish youth, Francisco Javier Alfaia, 25 years-of-age, who has lived in Brazil since he was seven. An architecture student at the Federal University of Bahia, Javier put basketball and the theater aside, as he says, to devote himself entirely to his new task.

In an interview with FOLHA, Javier speaks of national and international politics, the struggles by the university students and by the UNE, the highest organization of advanced level students.

FOLHA: There is talk that the UNE was afraid to hold direct elections to choose its last leaders. Do you agree?

Javier: This is the first time after its reorganization that the UNE held elections in a congress through delegates. Moreover, that is the type of election always held since 1937. The criteria used that time was more complicated and broad because we elected a delegate for each group of 200 students.

FOLHA: Why was this type of election chosen this time?

Javier: The National Student Congress is the one which decides on the program of struggles that the organization must carry forward. The members who are part of it must be competent and representative enough to select the persons who are going to commit themselves to making the program effective.

FOLHA: How so?

Javier: We were facing a controversial situation. We held elections by means of platforms for the leadership of the UNE in which the students from the various



states voted for comrades they did not even know. The selection of UNE leaders was being made in an inadequate manner. In the last congress, the 33rd of the organization, through the representatives who were selected by their school colleagues, may be measured the capacity and quality of the candidates and in that way an evaluation made of the new UNE leadership.

FOLHA: Another criticism made of the student organization is that they, with exceptions, conclude by becoming political "instruments." How do you view that?

Javier: There are many colleagues in the student movement who organize in accordance with certain political opinions. They are active in the student movement, defending opinions and proposals in the meetings and congresses, and we consider all that positive. We have obtained something very difficult in the field of national politics within the student movement: We have democracy. What we believe is wrong is the using of student organizations as if they were mere retransmitters of this or that political group of colleagues. Student organizations such as the UNE, CAs [expansion unknown], UME's [Metropolitan Union of Students], DCE's [expansion unknown] must act on the basis of questions already consecrated by the movement.

FOLHA: Is the representativeness of the UNE great?

Javier: Approximately 900 rank and file organizations of the 23 states, in addition to the territories, are linked to the UNE. There are also approximately 100 general groups (UEE [State Student Unions] and DCE's, that is, all those existing in the country. There are nearly 1,100 rank and file groups throughout the country. We have, therefore, the immense majority of them.

FOLHA: With all that representativeness, why did the proposal for a general strike proposed by the previous leadership fail?

Javier: We had two types of problems. The first was that the strike was actually discussed at great length but there was no movement created in the schools which would advance from those discussions to a more advanced mobilization that would give us a national strike. In the second place, there was misunderstanding by some of the colleagues leading some groups, who fought the strike proposal, criticizing any type of orientation which would lead to a greater struggle by the students. That is why the strike did not take place. Those two factors together left our colleagues unprepared for going on a national strike.

FOLHA: What are the present demands of the student movement?

Javier: The demands we are now making represent an immediate platform for the salvation of Brazilian education.

FOLHA: Could you list the demands?

Javier: Not to accept a centavo above the rate of 34 percent in the readjustment of tuitions in private schools; subsidies for private schools; supplementations for the budgets of state schools; return of 69 billion cruzeiros to the Ministry of Education and Culture in the 1982 budget; the granting of requests for educational loans and an amnesty for debtors, cancellation of plans which reduce

vacancies in state schools or abolish courses; cancellation of any project aimed at subjecting or allying the universities with corporations; recognition of the UNE and the UEE's; elections by the community of the deans and administrators of universities; a minimum of one-fifth student representation in the collegiate bodies of schools and universities; participation by the students, professors and officials in the project of reorganization of the university, which is being advanced by the Ministry of Education and Culture, and the earmarking of 12 percent of the federal budget for education.

FOLHA: You say that those demands can only be satisfied within a democratic system. Are we far from democracy?

Javier: No, we are not far. The reason for that is that the struggle by the people is increasing greatly. The November "package" will probably be approved, but the political cost was very great. "They" decreed the end to the opening. However, Brazilian democracy is going to depend greatly on how we proceed from here on in. I believe the government is in a very great state of isolation and having great difficulty in coordinating its own forces. The people's willingness to struggle leads me to think that we can overcome or defeat the military regime and install a democratic regime in our country within the not too distant future. It is a question of the correlation of forces.

FOLHA: What did the UNE think of the November "package."

Javier: The UNE is engaged in mobilizing the students against the "package" and in insuring clean elections without casuistry in 1982. The government is attempting to stave off its great defeat because it is not in a condition to face the elections it scheduled itself. I believe the government is going to use more casuistry to insure a false victory and that is why we must be prepared for the "package" and other casuistry that is coming.

FOLHA: Do you believe the level of mobilization existing in our society is enough for changing those rules?

Javier: I do not believe a greater level is required. However, I believe the demonstrations which took place in recent times were very positive. We have to develop that, organizing a caravan to Brasilia when the "package" is voted on and continue to organize unitarily to fight the government. We even believe the political parties are acting correctly in the case of the merger of the PP [Popular Party] and the PMDB [Brazilian Democratic Party Movement] and we hope that other mergers will also take place, materializing opposition unity against the government.

FOLHA: Does the UNE have any other new project?

Javier: We are going to create an International Solidarity Front and we are publishing the magazine MOVEMENT with a circulation of 50,000 copies. It was republished 17 years after its publication was suspended in 1964.

FOLHA: How is the UNE financed?

Javier: We in the leadership have help for expenses so that we can work. The groups contribute 10 cruzeiros per student enrolled in the school per year, the DCE's and UEE's pay 20,000 to 30,000 cruzeiros per year. The UNE sells small wallets to the students directly at 100 cruzeiros each.

FOLHA: What do you think about events in Poland?

Javier: The position of the UNE is that the problems of Poland should be resolved by the Polish people without interference by the Soviet Union or the United States. My position is that the military coup is not the solution to the serious Polish crisis.

8908

CSO: 3001/64

## PRESIDENTIAL VISITS FROM THIRD-WORLD COUNTRIES PLANNED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 10 Jan 82 p 6

[Text] Brasilia--The presidents of two African countries--Tanzania and Nigeria--and of one South American country--Ecuador--will visit Brazil this year. Presidents Alhaji Shehu Shagari of Nigeria and Julius Nyerere of Tanzania have not yet chosen a specific date, but Oswaldo Hurtado of Ecuador is expected on the 8th and 9th of next month. Diplomatic sources in Brasilia stress the importance of these visits, saying that they reflect efforts for intensified cooperation with the Third World.

Among visits at the second echelon, Itamaraty [Ministry of Foreign Affairs] is also expecting visits by Zaki Yamani, Saudi Arabia's minister of petroleum and mineral resources, and Paulo Teixeira Jorge, Angola's minister of foreign affairs. Senegal's minister of state for foreign affairs, Moustapha Niasse, and its minister of culture, Joseph Mathiam, will arrive in Brazil this month, and on the 14th they will be received in Brasilia by our minister of foreign affairs, Saraiva Guerreiro. There is also a remote possibility that Brazil will be visited by Margaret Thatcher, Great Britain's prime minister, and Prince Fahd, the crown prince of Saudi Arabia.

Of the African chiefs of state, President Alhaji Shehu Shagari of Nigeria may confirm a date during the first half of this year for his visit to Brazil. His visit was to have taken place in October of last year, but because of President Joao Figueiredo's absence from the Presidency of the Republic due to health problems, the Nigerian president preferred to postpone his visit until 1982, at a date to be determined by the Brazilian and Nigerian Ministries of Foreign Affairs.

Diplomatic circles in Brasilia are awaiting the Nigerian president's visit with great expectations, not only because of his political importance in view of Nigeria's conspicuous presence in the OAU, but also for economic reasons. Nigeria enjoys a good economic situation among the black African states, and that makes it an attractive market for Brazilian manufactured goods, especially vehicles.

Also practically certain is a visit to Brazil this year by President Julius Nyerere of Tanzania, who played an outstanding role in Cancun, Mexico during the North-South Dialogue meeting. Incidentally, it was in Cancun that the Brazilian minister of foreign affairs reiterated the invitation to Nyerere to visit Brazil, since he was in Cancun with the "status" of a chief of state. Minister of Foreign Affairs Saraiva Guerreiro visited Tanzania in July 1980, and that was when the invitation was first tendered in the form of a letter from President Joao Figueiredo to the Tanzanian



president. Tanzania is one of the so-called front-line countries engaged in negotiations for the independence of Namibia. The other four countries are Angola, Mozambique, Zambia, and Botswana. Brazil has been giving political support to Namibia's cause, and this has insured it of a friendly welcome, chiefly among the countries of southern Africa.

The visit by Paulo Teixeira Jorge, Angola's minister of foreign affairs, is on the calendar for this year, but Itamaraty declines to confirm it, perhaps to avoid a repetition of what happened last year, when the visit was officially announced for 25 November, but had to be canceled because Paulo Teixeira did not want to leave his country at a time when five Western countries (the United States, the FRG, Canada, Great Britain, and France) were presenting a new proposal for Namibia's independence. Of all the African visits planned for this year, that by the Angolan minister of foreign affairs is undoubtedly the one arousing the greatest interest in diplomatic circles. The reason is that among the countries of southern Africa, Brazil's closest relations are with Angola. Paulo Jorge's presence in Brazil will include, among other things, the signing of an air transportation agreement to regulate VARIG's weekly flights to Luanda.

In addition to the visits by Africans, Brazil will also be visited by Zaki Yamani, the Saudi minister of petroleum and mineral resources. Since Saudi Arabia is the biggest supplier of petroleum to Brazil, Yamani's visit is being viewed as a reaffirmation of the increasingly close relations between Brazil and Saudi Arabia. Last year, Brazil was paid an official visit by Prince Sa'ud al-Faysal, Saudi Arabia's minister of foreign affairs. Although it has not received any investments from Saudi Arabia, which prefers to invest in developed countries, the Brazilian Government has not hesitated to support Saudi initiatives with respect to the Middle East. The Saudi peace plan for the region, for example, was praised by the Brazilian minister of foreign affairs as being a positive and constructive initiative in the quest for a lasting peace.

While Itamaraty has not made any official statements concerning the visits planned for this year--because no definite dates have yet been set--there is even greater silence surrounding the possible visits by Prince Fahd, heir to the Saudi throne, and Margaret Thatcher, the British prime minister.

11798

ISO: 3001/68

## WORKERS OUTLINE DEMANDS IN DOCUMENT TO FIGUEIREDO

Rio de Janeiro JORNAL DO BRASIL in Portuguese 2 Jan 82 p 4

[Text] Brasilia--Sao Paulo's workers have sent President Figueiredo a confidential document in which they say that "the dissatisfaction and restlessness prevailing among the workers are very great." Giving unconditional support to the policy of political relaxation, the document demands punishment for those owing money to the social welfare system, rejects the threats against the Law on Semiannual Wage Adjustments and the new policies for the PIS [Social Integration Program] and the SFH [Housing Financing System], affirms the need to redirect the economy, and recommends the restoration of job tenure.

The president read the document, signed several sections of it in his own hand, and sent copies to Ministers Jair Soares, Delfim Netto, and Murillo Macedo. The workers' statement reached the hands of the president on 9 December, but it was dated 3 December.

## Who They Are

The document is signed by the chairmen of over 15 federations in Sao Paulo, among them the federations of trade employees, transportation workers, bank employees, metallurgical workers, and graphic arts workers--representing 12 million workers. After acknowledging that the president "has been honoring and dignifying the high position he occupies and has spared no effort to solve the excruciating problems afflicting the Brazilian people," the document goes on to say:

"Inspired, therefore, by the solid principles of democracy, freedom, and human respect which you have always defended, the undersigned, fully aware of their responsibilities, ask permission to say that the dissatisfaction and restlessness prevailing among the workers are very great as a result of inopportune and casuistical measures adopted in certain government sectors in response to the circumstances of the moment and without any consultation with the rank and file, even though it is on the latter that the results, generally harmful, of those measures inevitably fall."

The 34-page document continues: "The prevailing distress is growing more severe as a result of the certainty that despite the innumerable and successive failures, measures affecting almost the entire population will continue to be determined by groups of technicians who are not even remotely sensitive to the complex Brazilian sociological phenomenon, a failing of theirs that prevents them from making a

satisfactory analysis of its special features. This generates serious distortions, considering the disastrous consequences of the actions carried out."

### Social Welfare

In the document's first chapter, the workers analyze "Changes in Social Welfare." After objecting to the measures announced by the ministry, the document says:

"The Brazilian social welfare system, which was established to meet the needs of insured workers, continues to function in an empirical and obsolete manner, full of bureaucratic restraints which prevent efficient control over and protection of the fund's assets."

In addition to demanding punishment for those who owe money to the social welfare system, the document declares that "it must be made clear that nothing will be accomplished by establishing an organization like CONASP [Advisory Council to the Social Welfare Health Administration], whose function is purely advisory and which has absolutely no influence on administrative decisions."

The first chapter concludes: "What is urgent is to reestablish three-sided collegial administration--employees, employers, and the government--at all levels."

### Housing

The second chapter discusses "Changes in the Housing Financing System." It criticizes the changes in the way payments are made by borrowers and the misuse of the program.

"Discontent and uneasiness are made even worse by the general knowledge that the basic activities of the institutions established to meet the needs of the National Housing Plan have been totally perverted--not only have they been transformed into veritable centers of relentless market speculation, but they also divert huge sums to projects other than housing."

In concluding its discussion of this topic, it asks the question:

"Hanging in the air, therefore, is the big and distressing question: what will happen to the 2 million borrowers who, because of the imbalance between their incomes and expenses, are unable to meet their obligations to the financial institutions for homes and will wind up in an insoluble situation of breach of contract through the kind offices of a group of technicians who no longer know what tricks to use to explain away their proven incompetence?"

### Wage Adjustments

Law 40.670/79 (on semiannual wage adjustments) is the subject of the third chapter of the long statement. After praising that law, since "for the first time, an attempt was being made to keep wage earners on a par with the inflationary spiral," the workers reject the argument that wages are responsible for inflation.

"Wages have never generated inflation. On the contrary, they are the result of it and represent a desperate attempt to maintain the purchasing power of money. Incontestable proof of that statement is the fact that wage corrections are not made on the basis of the projected future cost of living; they are calculated solely by reference to the indexes from the period prior to their going into effect."

The document demands the same policy for civil service workers and rejects the allegation that the most correct wage policy would consist of free negotiation between employers and employees.

"The solution, at least for now, is the combination of a guaranteed fixed percentage of increase tied to the inflation index and the free negotiation of more favorable conditions, to be agreed on by the parties at the negotiating table. The government's presence is still necessary to insure the workers of a real increase that can provide them with the life they deserve until the collective bargaining contract is established and restrictive legislation concerning direct negotiation is revoked."

#### PIS and Unemployment

The fourth item concerns the Social Integration Program (PIS). The workers are requesting of the president that the system adopted in 1979 and 1980 be restored, that the system for participation in dividends be reexamined, and that the PIS be given a general overhaul by a task force that would include the unions as the legitimate representatives of the wage earning classes.

"Unemployment in Brazil" is the next to last and most important part of the document. After analyzing the current framework of difficulties, the workers declare that the only solution, if the country is to get past this phase, is to reorient the economic direction and government spending so as to implement a determined employment policy through massive investments in social sectors such as housing, health, sanitation, and education, and to adopt a vigorous agricultural and agrarian policy that will encourage the small farmer to stay on the land, while also adopting effective measures for improving the wage policy and guaranteeing job tenure.

The workers suggest "the establishment of subsidies for the production of essential items for the working class (foodstuffs in general, housing, health, mass transit, and so on) and rigorous price controls on those items, with due attention, obviously, to guaranteeing a decent profit margin for public and private capital."

#### Manpower

The last chapter is on "Turnover of Manpower":

"Throughout the years, the rates of manpower turnover have been treated subjectively, inasmuch as this was felt to be a minor problem.... (However,) those turnover rates have risen sharply and reached significant levels. It is a fact that one of the highest rates of turnover ever recorded anywhere in the world is to be found in Brazil."

According to the document, that is true because of "two facts that have their source in the employer class: 1) the intention to keep the workers in constant fear of



unemployment, thus reducing the unity of the labor union movement; and 2) the intention to prevent an increase in payroll costs, thus flattening wages and increasing profits alarmingly."

In conclusion, the workers say:

"In order to solve the problem we have presented, provide greater security, and grant greater benefits to the workers, the undersigned propose that the job tenure system be reestablished and that it be added to the FGTS [Service Time Surety Fund] institution: tenure is thus conferred on the employees, and the corresponding sum in the FGTS becomes a nest egg to be used by the employees when they reach retirement age, a situation that would insure them of the necessary tranquillity in their old age."

11798

CSO: 3001/68

## ANTARCTIC COMMISSION CREATED, U.S. SHIP PURCHASE EYED

## Decree Establishes Commission

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 13 Jan 82 p 9

[Text] President Joao Figueiredo yesterday handed down two decrees considered of great importance because they are legal instruments which will make viable the Brazilian plan to promote a scientific expedition to the Antarctic. The first, No 86,829, creates the National Commission for Antarctic Affairs--Conantar--with a purely normative character, and the second, No 86,830, grants authority as an executive agency to the Interministerial Commission for Sea Resources--CIRM--which operates together with the Ministry of Navy.

Itamaraty explained that the sending of a scientific expedition or the establishment of a station in the Antarctic is a necessary requirement established by Article IX, Paragraph 2 of the Antarctic Treaty, in order for Brazil to be accepted as a participant in the international decision-making meetings on the Antarctic similar to the meeting on the preservation of live Antarctic resources recently concluded.

The Ministries of Navy, Army, Foreign Affairs, Agriculture, Air, Mines and Energy and Planning, in addition to the National Security Council, Armed Forces Staff, and the National Scientific and Technological Council--CNPq--will be part of the newly created CONANTAR. The president of the commission will be Minister of Foreign Affairs Saraiva Guerreiro. Among its prerogatives will be those of proposing guidelines and measures for the formulation, updating and development of a national policy for Antarctic affairs, watching over its results, suggesting the necessary changes and examining and approving a Brazilian Antarctic Program--PROANTAR--setting priorities for pertinent projects.

When the Brazilian Government decided to promote a scientific expedition to the Antarctic, it created a task force last year with the job of examining all the measures required for the realization of that expedition. The task force then suggested the creation of two agencies, one of normative nature and the other an executive agency. As a measure to hold down expenses, the government created only CONANTAR and granted executive character to the CIRM, which already exists and is fully operational.

Itamaraty sources explained that the creation of CONANTAR gives Brazil the administrative structure capable of tending to the interests and objectives of the country as a contracting party in the Antarctic Treaty, something which was made formal in May 1975. The Brazilian Government, according to Itamaraty, believes the Antarctic Treaty to be the only legal document for the Antarctic Continent because it is a matter of a valid legal instrument accepted by all the member states. Brazil does not relinquish its right to explore the Antarctic, in the opinion of some Brazilian authorities, because of the importance of the region's influence on the weather, oceanographic conditions and the marine fauna of the Southern Hemisphere.

#### Brazil Wants American Ship

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Jan 82 p 14

[Text] Brazil could acquire the U.S. Ship "Eltanien" for use in Antarctic research, however, the decision in this respect has not yet been made since it depends mainly on the inspection the members of the Brazilian Naval Commission in the United States will make of the ship to evaluate its condition. The Eltanien, a very used ship, needs repairs and would cost the country little--an almost symbolic price--, it was reported yesterday in Brasilia by a Ministry of Navy spokesman, for whom the deal seems to be a good choice, since the idea of acquiring a ship from England or even Poland had no support.

8908

CSO: 3001/64

## DROUGHT MAY REDUCE RIO GRANDE DO SUL SOYBEAN PRODUCTION

Rio de Janeiro O GLOBO in Portuguese 21 Jan 82 p 23

[Text] Porto Alegre--Jorge Ribeiro of the 8th Weather District said yesterday that the drought affecting the Rio Grande do Sul agricultural regions for the last 30 days is similar to that of 1980, "when rain reached normal levels in the middle of February." That year the soybean crop which should have been 6.1 million tons was 5.7 million tons due to the losses caused by lack of rainfall.

This year the drought has affected the whole state, and is felt the most in the west-central and central-lowland regions. Rainfall in the city of Uruguaiana this month was 20.8 mm, whereas the normal amount would be 125 mm. It was 13.1 mm in Santa Maria, where the normal amount is 144 mm. The normal amount of rainfall during January in the city of Irai is 189 mm, but so far it has been 25.8 mm.

## Damages

Soybean production for this year is estimated at 5.7 million tons for a planted area of 3.7 million hectares, with an average yield of 1,540 kg per hectare.

"Agricultural and livestock production may be seriously damaged if the drought persists," said Flor Amaral, president of the Rio Grande do Sul Agriculture Federation, recalling that the area planted to soybeans has already been reduced from 3.9 million hectares.

Flor Amaral remarked that grapes, however, may have a good crop because the drought increases their sugar content, enabling the producer to get a better price for his product.

Homero Pegas Guimaraes, president of the Rio Grande do Sul Federation of Rice Cooperatives, visited the municipality of Uruguaiana yesterday. The rivers and dams of that region are below normal levels, threatening the irrigated rice crop. In 1980 the drought caused the same problem, resulting in a 13 percent decline in the Rio Grande do Sul rice crop.

Ary Herzog, regional superintendent of the Production Financing Commission, said yesterday that by the end of the month the agency will have firm figures for the damage caused to the state's crops by the drought. He added that the hardest-hit region is the central lowlands.

## 1981 ARMY PRIORITY PROJECTS RECEIVING FUNDING NAMED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Jan 82 p 5

[Text] Brasilia--In a report on the army's main accomplishments during 1981, yesterday's edition of the NOTICIARIO DO EXERCITO, which is published by the Army Office, says that last year the Ministry of Army authorized exports of military equipment valued at approximately \$1 billion.

According to the NOTICIARIO DO EXERCITO, special emphasis was placed on a definition of the army's priority projects. This included the necessary funding for their implementation. The main projects were the following: rehabilitation of the Army Central Hospital and the General Hospitals of Sao Paulo and Recife; development of the Brazilian Army's main battle tank project; refitting of the M41 battle tank; production of the antiaircraft weapons system; establishment and operation of the Army Mass Media Center; the start of activities by the Army Housing Foundation; the establishment of regional maintenance facilities in several military regions; an accelerated flow of promotions for officers in the branches and departments, on the auxiliary roster of officers, and brevet officers; establishment of the special rank of sergeant 3rd class; the inclusion of civilian instructors from the Army Teaching Staff in the Federal Civil Service Teaching Staff; a reformulation of staff and junior officers' courses for medical officers; regulation, for the army, of the Armed Forces Chaplaincy; the investment of 1.5 billion cruzeiros in the construction of residences and the improvement and maintenance of living quarters; an investment of 2 billion cruzeiros to implement the Army Construction Plan for 1981; the approval of standards aimed at stimulating research in the army; a speedup to establishment of the Army Technological Center; a recalculation of the Ministry of Army's assets; the establishment of standards aimed at harmonizing the use of training camps and testing grounds with the use of airspace; attracting funds in the spheres of the various departments; expansion and dynamization of the Medical Assistance Service and the Army Health Fund; the transfer of administration of the Federal Territory of Fernando de Noronha to the Ministry of Air; and continued work to establish the army's new training system.

11798

CSO: 3001/68



## BRIEFS

POLISH PAYMENT OF DEBT INTEREST--The Central Bank confirmed yesterday that it has received \$19.6 million plus \$10 million worth of coal in payment of interest on Poland's debt to Brazil. The payment was due on 30 December. According to the Central Bank, representatives of the Polish Government will be in Brasilia in February or March to renegotiate the total debt, which amounts to over \$1 billion. The Central Bank also announced that interest payments on foreign debt and transfers of profits and dividends by multinational firms cost Brazil a net amount of \$7.4 billion during the first 9 months of 1981, or \$2.15 billion more than the \$5.25 billion transferred during the same period in 1980. Gross interest for the period from January through September of last year totaled \$7.21 billion. In the services account of the balance of payments, interest and transfers of profits and dividends constitute the deficit in the "capital" item, and the total for January through September 1981 exceeded the net negative balance of \$7.03 billion that was recorded for all of 1980. That comparison demonstrates the impact of higher international interest rates on Brazil's external accounts last year. Again because of interest, the closing of the balance of payments with the inclusion of the last quarter of 1981 will show an even greater impact than that recorded from January through September. The last 3 months of 1981 will reflect the rise in the prime rate (the rate charged by U.S. banks to their best customers) to about 20 percent between May and September 1981. For this year, the Central Bank's monthly bulletin notes that "interest rates in international financial markets are continuing a downward trend from the present level of 15.75 percent toward the prime rate." According to the Central Bank, interest rates explain the deficit of \$9.06 billion in current transactions for the period from January through September of last year. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Jan 82 p 24] 11798

JAPANESE INVESTMENT IN SCRUBLANDS--The Japanese mission, which is considering expanding its agricultural operations on Brazilian scrublands to 500,000 hectares, begins tomorrow a 3-day visit to evaluate the pilot-project administered by the Agriculture Promotion Company (CAMPO) in the Minas Gerais towns of Irai, Coromandel, Paracatu, Romaria, Nova Ponte and Unai. The CAMPO project begun in crop year 1981-82 [sic; 1980-81?] produced 30,000 tons of soybeans, 9,350 tons of wheat, 1,100 tons of rice, 2,000 tons of corn and 500 tons of beans, and plans to continue through 1983-84, according to the evaluation of the Minas Gerais Agricultural Research Company (EPAMIG). According to the EPAMIG evaluation, the project will have 600 million cruzeiros contributed by settlers and business firms in addition to 4 billion cruzeiros from the Nippon-Brazil Cooperation Program for Scrubland Development (PRODECER). [Excerpt] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 Jan 82 p 26] 8834

## DIRECTOR OF ODEPLAN COMMENTS ON ECONOMY, GOVERNMENT ROLE

Santiago LA TERCERA DE LA HORA in Spanish 3 Jan 82 pp 26-27

[Interview with Brig Gen Luis Danus by Maria Eugenia Oyarzun]

[Text] Soldier or Technician

[Question] The president of the Central Bank reportedly said that your designation is "political" rather than "technical." What do you think?

[Answer] I have already told him. I talked with Sergio de la Cuadra, whom I have known for some time, and he told me he had been misinterpreted, so I was mollified. The president deals with civilians and military personnel very equitably.

[Question] Along the same lines, would you say that your designation to the National Planning Office (ODEPLAN) post was not a political appointment?

[Answer] Well, considering that politics is "the art of governing," and that the president of the republic is governing through his ministers, it is "political" with a capital "P." Now, whether the president chooses civilians or military personnel has nothing to do with their position as such; they are nominated because the commander in chief feels that they can do a certain job. I don't think the president said, "I am going to name a general by drawing lots," and then arbitrarily chose Danus. I think he selected Danus from among civilian and military candidates. His reasons were his, not mine.

[Question] It was said that for the post of director of ODEPLAN a "technician" should be chosen. Do you consider yourself a technician? Or is there no need to be a technician to be minister?

[Answer] I consider myself to be as qualified as other people. It is difficult to talk about oneself. What matters most is that the one who had the power to appoint considered me qualified. I will try to do the job well. Ministerial posts are not necessarily technical. There are technicians at other levels of Public Administration or in private activity.

[Question] What, in your opinion, are the traits a minister should have?

[Answer] I think a minister should have general knowledge about the function he is carrying out; he should be well-informed and should agree openly with the policy

being implemented in the country, as well as the policy being carried out in his ministry. If not, he had better not accept any position. Moreover, I think he should be a person with a certain general background. He does not need to be a specialist in the corresponding sector, but he should have common sense and a broad viewpoint. Furthermore, this office has no particular specialty, because working in planning for economic and social development means working in everything.

#### ODEPLAN Functions

[Question] What were the functions of ODEPLAN before?

[Answer] The functions of ODEPLAN are the same now as they were before. The main function of this office is to plan the country's economic and social development, at the same time serving as an advisory group for the president of the republic. This is the Planning Office of the president of the republic. On the other hand, ODEPLAN keeps the national books and evaluates all the projects of the public sector.

[Question] Aren't studies underway to take away certain functions from ODEPLAN?

[Answer] I have information that there is a bill that would transfer the tasks of reviewing the national books and evaluating projects to other entities, but I don't have any more details about the definitive resolution.

[Question] What do you think about this possibility?

[Answer] It is not my business to express opinions about that, because it is the Government Junta that is studying the bill.

So far, ODEPLAN has not lost any functions, but the Legislature is studying one aspect of that issue.

[Question] Does the planning function of ODEPLAN, an advisory organization for the president's office, run up against that of the Presidential Advisory Committee chaired by Brig Gen and Minister Roberto Guillard?

[Answer] Both entities are advisory bodies. It would be difficult for them to be at loggerheads on specific studies that may be entrusted to one but also carried out by the other, because there is supposed to be a coordination effort to avoid that problem. We depend on the same chief, the president of the republic, and after him the chief of the Presidential General Staff.

In the other general tasks, each has its own specific function.

#### Prospectus and Planning

[Question] What is the difference between what the Presidential Advisory Committee's Prospectus Department is studying, and what ODEPLAN is analyzing?

[Answer] If that department were studying in the medium term, for example, plans for the 1981-1989 period, for which ODEPLAN just presented a program to the

president ("Socioeconomic Program 1981-1989," which was approved), then there would be a duplication of effort.

On the general staffs there may be departments that are planning for the long term, which is a prospectus or study of the future; and others that are planning for the medium term. In fact, within the Presidential General Staff a long-term department was created to study the Prospectus, and in ODEPLAN there are planning bodies for the medium and short terms. Planning has not been done beyond 10 years in the future. The program recently approved by the president goes until 1989. This does not mean that the future has not been considered and analyzed. But the president also approved the "Ministerial Programs for 1982," which were signed by all the ministers. This means that there is perfect coordination among them.

#### Redistribution

[Question] What do these programs, the short-term one for 1982 and the medium-term one for 1981-1989, entail?

[Answer] I could safely say that in both cases the principles that have been considered are not very innovative, because the government has not changed its planning; it has continued its existing planning. The planning system is made up of the "Declaration of Principles" and the "National Objective of the Chilean Government and Its General Policies," which is a recently updated booklet. Then we have the "Socioeconomic Program 1981-1989," which will be published in early January, and "The Ministerial Programs for 1982," which is already in print. Now, what do the two programs entail?

They include myriad provisions that are difficult to sum up. But I could comment on some concepts or principles that apply to both the socioeconomic program and the annual one.

One of these principles is the "redistribution of wealth." The battle against extreme poverty can be seen in all the articles or provisions of both planning documents. There are subsidies for education, for very impoverished children who were not family burdens because their parents are unemployed, etc.

Another applicable principle is the independence of the regulatory tasks of the ministries from the productive tasks of the state enterprises. It has been established--and the president has said--that the ministries should not manage the enterprises but should devote their efforts to formulating regulations and enforcing them in all enterprises, public or private.

[Question] Private as well?

[Answer] Private or public, because they make the regulations, the rules of the game. Moreover, productive activities will fall under other entities, not the ministries.

Another principle is "decentralization" or "deconcentration," which is already being implemented on the administrative level, with each one assuming its own responsibility. This is at all levels. This deconcentration will also take place in business, separating the relatively large units so that the efficiency or yield of each unit of the large enterprises can be learned.



Another general concept is "privatization." It is felt that more enterprises should be turned over to the private sector.

[Question] Which ones?

[Answer] The Interoceanic Navigation Company; the Tamaya Mining Company; FEMSACO (for automobile parts, involving a 30 percent government share and Spanish capital); the Lo Valledor Corporation, which was formed at the Lo Valledor Slaughterhouse; the El Belloto Prefabricated Housing Enterprise; the Continental Bank; the Panguipulli lumber complex; and a package of stocks of the El Tatio Geothermal Corporation. All these enterprises have been under consideration for turning over to the private sector for some time.

Another concept is that of public bidding, both for selling enterprises and for carrying out projects. The idea is that everything should be done publicly, and with the knowledge of everyone who might have access to the sale of enterprises or services.

We are also considering liberalizing labor and activities in general. As is well known, this administration has had to wage an arduous battle to bring about true labor freedom. One of its latest moves has been to liberalize labor in the ports. In addition, these projects and ministerial programs seek competition so that all businesses and individuals can perform any function without being coerced, and without privileges of any sort.

There will also be an effort to eliminate stumbling blocks to development. For example, we are studying which forestry areas can be developed appropriately, which in all countries brings about a certain reaction from ecologists who claim that certain areas should not be destroyed or commercialized. The two extremes are bad. We cannot live in a country that simply refuses the possibility of resource development in order to protect the environment, nor can all natural resources be eliminated through excessive exploitation, merely for economic interests.

Some other obstacles are being studied for elimination, such as the beach concessions, port concessions, construction and urbanization ordinances. In the case of construction ordinances, sometimes there are provisions that prevent expeditious action by the state as well as private entities, so everything costs more.

#### Simplifications

We are also giving priority to "simplifications." We are trying to simplify payments to retirees; to establish a single license for all vehicles; and to simplify the activities of the Official Record of Real Estate, of notary publics, of the Civil Registry, etc.

All this is included in the plans for 1982; some will be carried out and others will be studied in the coming year.

Another principle behind these programs is the efficiency and profitability of enterprises.



An average profit of 10 percent will be required of a group of enterprises not slated for privatization. Also, the Production Development Corporation (CORFO) will be required to turn a profit of \$270 million in 1982, a difference of \$770 million compared to the \$500 million bail-out the Treasury had to give CORFO in 1974.

The ministerial programs also aim to train officials. A "Statute for the Training of Public Officials" is supposed to be studied.

To conclude this summary--because much more could be said--an effort will be made to give more publicity to economic and social advances, to provide more information for students in the middle grades concerning job and educational possibilities, as well as regional courses and seminars, etc. The government is aware that it must reach all levels to inform them of what it is doing. The government has realized that despite the great social effort it has made, it is not understood by the people. For example, to say that social spending in 1982 will reach 58.4 percent of the entire national budget is very clear for a well-informed person, for a journalist or an economist, but perhaps it is meaningless to a person who may or may not receive a family allowance, or for someone who may or may not be treated in a hospital. That is why we want the entire nation to know these facts.

No Recession But Could Be

[Question] Do you think there was a recession in Chile in 1981?

[Answer] No. There definitely can be no talk of a recession in a country that is growing at a rate of 5.5 percent. Enrique Iglesias of ECLA has just stated that the average growth rate in Latin America is 1.2 percent, and I think the average growth rate in the world is near zero. Here I have some figures on the growth of the real Gross Geographic Product during the 1976-80 5-year period. The United States grew by 3.7 percent; Germany, 3.6 percent; France, 3.3 percent; Japan, 5.1 percent; and Great Britain, 1.7 percent. In Latin America, Argentina grew by 1.5 percent; Brazil, 6.5 percent; Venezuela, 4.7 percent; and Chile, 7.3 percent during that 5-year period. To answer your question, there was not a recession in 1981 in Chile at all, because our growth rate was one of the best in the world.

[Question] Could there be a recession in 1982?

[Answer] There could be. At any rate, there will be slower growth. The ODEPLAN analysts believe that the maximum growth rate could be 3.5 percent, and it could even drop to zero. There might even be a recession of up to -0.6 percent. Negative growth, less than one, -0.6, means a recession. This negative growth of less than zero has not happened to us yet, and I hope it will not happen. It has happened to nearly all countries. These statements for 1982 correspond to analyses of what could happen based on the behavior of the world, on the slower growth of other countries that is affecting us for many reasons. Our prices on foreign markets are lower; there are materials that we used to export but have problems now. We are selling less. We are selling all our copper, but there are problems with other exports. That began to have a negative impact in August of 1981, and it will probably continue during the first half of 1982. The result could be slower growth

for us. We are realists; we stick to the facts. The effect of the international recession on the slower growth of our economy is undeniable. This slump even raises the possibility that the unemployment rate, which was dropping steadily--to the extent that in Greater Santiago in October the rate was 8.5 percent--may rise by two or three points.

#### CORFO

[Question] How many enterprises were turned over to the private sector during the 4 years when you were vice-president of CORFO?

[Answer] Following the policy of the government, those which were returned to their owners and those which were sold to bidders added up to a total of 450 enterprises. That is equivalent to \$800 million in sold businesses. That was foreseen. The only ones left are the ones I mentioned earlier, which will be open for bidding in 1982. There is a group of very large, very important enterprises that cannot be sold off at this time; they cannot be transferred to the private sector because there is not enough money in the country to buy them. My reasoning is as follows: If everything that was sold, which was bought over the long term, is valued at a total of \$800 million, then how much is the Copper Corporation (CODELCO) worth? How much is the National Petroleum Enterprise (ENAP) worth? How much is National Electric Power, Inc. (ENDESA) worth? All those enterprises put together must be worth \$8 billion or \$10 billion. This comparison indicates that at this time it is impossible to privatize them.

[Question] It has been said that you do not totally agree with the "economic team." What truth is there to that assertion?

[Answer] That is not so. The proof is that I was the one who privatized those 450 enterprises.

[Question] What is your opinion of the "economic groups"?

[Answer] I think I would like to see as many groups as possible if they were very responsible. Unfortunately, a small percentage of these groups have not been able to use wisely the freedom the government gave them, and it is for this reason that through various laws the government has had to impose stricter controls. Some groups have not responded to the expectations the government outlined, and it is not necessary to give examples because they are well known to all.

#### Year 2000

[Question] How do you envision the role of the state in the year 2000?

[Answer] I see the state in the year 2000 with a less productive role, serving less as an agent of production, but complying strictly with its regulatory functions to work for the common good. The state should continue to look after the interests of those who are unable to defend themselves, because unfortunately we do not live in Paradise, and sometimes people abuse their fellow men. I see the state in a more secondary, more normative role than now. A less productive state, the same idea the president of the republic expressed in the ministerial programs. The state devotes itself particularly to the normative and regulatory aspect.

[Question] Do you feel satisfied in your post as minister/director of the Office of National Planning?

[Answer] Yes. I have found a good team of young, efficient people who are working faithfully. I have seen that this office is more aware of the idea that this is an advisory body to the president's office, and I think it can be of great use to the president. I feel comfortable in the position; there is no distance between me and the economic sector or the military sector that is in the government or in professional functions. My greatest concern, because it is the president's as well, is to make the public aware of the great job that has been done in the social sphere. Spectacular results have been obtained, but there is a lack of information about them.

To cite just one example, in 1964, when our population was smaller, there were 31,495 infant deaths; in 1980, with a larger population, there were only 8,000.

8926

CSO: 3010/638

## GOVERNMENT HOLDINGS MARKED FOR SALE TO PRIVATE INVESTORS

Santiago HOY in Spanish 20 Jan 82 p 13

[Summary] Several government sectors are proceeding with a program to sell off holdings to private investors. ENDESA will accept bids on several of its medium-sized hydroelectric power plants, such as Pilmaiquen and Pullinque. The Compania de Telefonos will sell some assets in Santiago, Valparaiso and Concepcion. According to Julio Dittborn, subdirector of ODEPLAN, this will make more telephone lines available. SONAMI will transfer some dispensable assets, CODELCO is supposed to sell the El Abra deposit, ENACAR will sell two coal deposits. CAP, already divided into independent companies, will take bids on the Rengo Steel Company. CORFO has orders to be ready to sell eight of its companies. There are plans to take bids on sea bed concessions as well as on state run kindergartens and nursery schools. Doubt persists over whether the government can get a good price for its assets during the current recession. The government is also deregulating fares and routes of urban transit systems to encourage competition. The Ministry of Justice plans to increase the number of notaries, to eliminate annual vehicle licensing, and to establish community level courts.

Although the measures seem inappropriate for current economic conditions, Dittborn said, "These programs were formulated in mid-1981 and they do not take the entire economic situation into account." He added that earlier government programs had been almost totally completed.

CSO: 3010/742

## COPPER EXPORTS DOWN 19.9 PERCENT IN 1981

Santiago LA NACION in Spanish 8 Jan 82 p 7/A

[Text] Copper exports fell by 19.9 percent during the first 11 months of 1981, according to a report by the Studies Department of the Chilean Copper Commission.

Between January and November of last year, exports of the red metal had a return value of \$1.5609 billion, compared to \$1.9509 billion.

The value of copper and copper byproducts exports between January and November of last year, on the other hand, reached \$795.2 million, which represents an 18.2 percent drop from the same period of 1980.

## Low Price

The Commission's report adds that the average price for refined copper on the London Metal Exchange in 1981 was \$0.7894 per pound, which, discounting U.S. inflation, is 27 percent less than the 1980 prices.

On the other hand, shipments of molybdenum concentrate went from \$117.9 million to \$146.9 million during the same period, an increase of 24.6 percent.

Exports of other byproducts, such as silver, anode mud and metal dore, dropped from \$127.4 million to \$87.3 million, a 31.4 percent decline.

## Imports

Imports in the copper sector (parts, machinery, trucks and other inputs) attained a total of \$254.8 million between January and December . 1981, \$25 million higher than the value of 1980 purchases.

The Copper Corporation (CODELCO) imported \$115.6 million in capital goods in 1981, along with \$139.2 million in operational assets (working capital, inputs), for a total of \$254.8 million, as noted above.

In 1981 imports of capital goods by the state enterprise rose by \$7.1 million, or 6.5 percent. Imports of operational assets rose by \$18.1 million, for which no percentage was given.



The price of refined copper on the London Exchange last December was pegged at \$0.75114 per pound, an increase of \$0.00305 over the average price in November.

Thus, the annual average price reached \$0.78949 per pound, which was \$0.20225 lower than the average price of 1980, in nominal terms. However, discounting the effect of U.S. inflation, this price is approximately \$0.29 a pound, or 27 percent, less than the previous year's price.

Officials at the state copper enterprise have estimated recently that in 1982 there should be a significant increase in the price of copper, such that it could reach \$0.95 or even \$1.00 per pound.

Each cent of increase in the price represents revenues of approximately \$200 million for this country.

8926

CSO: 3010/638

## COMMENTARY ON SOVIET, CUBAN INTERNATIONAL ACTIVITIES

Santiago EL MERCURIO in Spanish 11 Jan 82 p A 3

/Editorial: "Cuban Action"/

[Text] The Soviet Union has clearly marked three targets for strengthening its penetration on the principle continents, overthrowing democratic governments and destroying the stability of their regimes. One target is Africa, where the task has been entrusted to Col Qadhdhafi, who has been successful to date. Another is Europe, based on the installation of missiles, control of the satellite countries and the sponsoring of terrorism and guerrilla action, as is the case in Italy, Spain and France itself, the FRG and other countries. The third target is Latin America, where at least since 1977, a series of upsets and internal battles have kept the authorities in check and subjected entire countries to chaos.

The coordinating center which trains and equips all of these forces is Cuba, which works to unify all the movements opposed to the regimes in place there, such as to create an atmosphere of uncertainty, to augment and strengthen the rebels and to create a vast organization, with the participation of the opponents of all the parties, unifying their forces to overthrow these governments.

Nicaragua is already the ideological and political property of Cuba and, therefore, of the USSR. In order to establish its power there, it has made use since 1977 of a Cuban agent, Armando Ulises Estrada. After a series of trips to the countries suffering from domestic unrest and with the aid of guerrilla fighters, high ranking officials and rebel groups, he succeeded in bringing them under control through the unified Sandinist movement. Weapons were brought in by air from Cuba and Panama, via Costa Rica, and in addition 5,000 advisers, including 1,500 military and security personnel, were provided. The supply of arms to El Salvador was less extensive, but there was a strong influx of arms shipments sent from Vietnam, Ethiopia and Eastern Europe. In Guatemala, it was possible to unite the four rebel chiefs and their respective groups, with a subsequent supply of weapons including mortars, machine guns and missile launchers, plus other similar weapons. Costa Rica, which had never had terrorism, saw its appearance in 1980, and the terrorist ranks and contingents have grown. Finally, various subversive and guerrilla groups were established in Honduras to destroy the stability of the regime.

It is not a question then of occasional outbursts or sporadic and isolated rebellion. It is Cuban and Soviet patience and persuasion which have succeeded in rallying the scattered groups, eliminating their differences, at least temporarily, and establishing a broad and aggressive front forming a network destined to be used to liquidate the anticommunist governments.

While Qadhdhafi pursues his work with the Arabs and Africans and the USSR points its missiles at Western Europe, from which innocuous statements are extracted, Cuba is consolidating the unity of all the dissidents, intermixing them with terrorists and guerrilla fighters and preparing for the final blow in the Caribbean. Reagan, for his part, is making a substantial effort to restrain this clandestine advance, but Latin American cooperation and a full understanding on the part of the European countries are lacking.

5157

CSO: 3010/641

## SCIENTIFIC EXPEDITION DEPARTS FOR ANTARTICA

Santiago EL MERCURIO in Spanish 4 Jan 82 p C 6

[Article by Francisco Eterovic]

[Text] Punta Arenas--Within a period of 2 months, the State Maritime Enterprise motor vessel "Capitan Alkazar," carrying scientists from the Chilean Antarctic Institute (INACH) will travel 5,000 miles, the head of the scientific department of the INACH and scientific leader of the current expedition, which is also contemplating trips by air, Patricio Eberhard, has announced.

The "Capitan Alkazar" reached Magallanes early yesterday morning and will sail at noon today for the "frozen continent."

According to the announcement made by Eberhard, 12 research projects will be pursued. They cover such disciplines as tide measurement, working with the Naval Hydrographic Institute; seismology, with the installation of a platform to gather environmental data; a study of regional geology; the ecology of fish; the marking of small seals born this season; geodesy and glaciology, working with the University of Hanover in Germany, in which connection three German investigators with "very valuable scientific instruments" will fly in, according to Eberhard; and the continuation of studies of the repopulation of benthic communities on Deception Island.

These professional workers come from various universities, and an internationally known photographer will also travel with them.

The scientists stressed that "We hope to broaden contact with the German universities with a view to the development of projects in the Antarctic."

## Students

He announced that three students from La Serena who won leading places in the Fourth Youth Fair held in October, accompanied by a professor, will also travel with the expedition.

A group of alpinists will attempt to climb Mount Frances on Anvers Island, which rises to 2,822 meters.

The last scientists will return from the Antarctic on 22 February, and the vessel will reach Punta Arenas on 27 February.

The INACH will ship 2,200 kilograms of cargo, including scientific equipment and materials, 800 of this total belonging to the three University of Hanover researchers, by air.

Mary tons of equipment, meanwhile, including "everything needed for the logistics part of the scientific program," will go by sea.

#### The Captain

The captain of the vessel carrying the scientists, Juan Gonzalez Sandra, said that his vessel was "especially adapted for this scientists' research voyage," and that the first port of call will be at O'Higgins Base next Thursday, from which the vessel will proceed to Fildes Bay and from there to Spring Point.

The "Capitan Luis Alcazar" is 46 meters long, a gross register tonnage of 300 and a speed of 11 knots.

#### The Alpinists

The team of alpinists who will climb Mount Frances, members of the Italian Alpine Club, with headquarters in Chile, includes Jorge Quinteros, Felipe Quiroz, Guillermo Cassasa, Alejandro Izquierdo, Andres Marangunic, Dagoberto Delgado, Rene Anabalon and Patricio Toro.

They told EL MERCUIRO that they hope to climb the south slope, which is "one of the most difficult."

In the past, members of this group have completed a number of major climbs.

#### Weekend

The police maintained particularly strict patrols over the recent weekend in Punta Arenas, particularly following the camping trips which are traditional in Magallanes at this season of the year, since due to the good weather the number of vehicles was particularly high. The free zone has recorded sales of a little over 20,000 units in four years of activity.

There were arrests for drunkenness, and two vehicles overturned. In one accident, one person, identified as Loreto Lopez Ruiz, 20, was killed, and seven were injured, at the 16 km marker on the north highway. In the other instance, a jeep overturned in the approach sector to the ski lifts on Mirador Hill. The driver suffered moderately serious injuries.

A number of drivers were ticketed for driving without a license, overdue summons, and various minor accidents in various parts of Punta Arenas.



## DECADE OF TRAFFIC IN STRAIT OF MAGELLAN ANALYZED

Santiago EL MERCURIO in Spanish 9 Jan 82 p C 9

[Article by F. Etrovic]

[Text] Punta Arenas--Chilean and foreign vessels making a total of 7,499 navigated through the Strait of Magellan in the last decade, EL MERCURIO learned from reliable naval circles. Last year the total was 145 [sic], as compared to 425 in 1972.

The former figure represents an increase of 170 percent.

The difference for the last 2 years comes to 10.84 percent in favor of 1981, in view of the fact that in the preceding year 1,033 vessels navigated the strait.

Among the most important vessels to use the strait last year, in terms of tonnage, were the Chilean tanker "Vina del Mar," with a gross register tonnage of 770,787; the Liberian vessel "Vasiliskos," 65,917 tons, which passed through the strait on 9 September; and the French ship "Champlain," 68,596 tons, which navigated the strait last 7 December.

## Harbor Master

The navy, in view of the increasing volume of maritime traffic through the Strait of Magellan in the last decade precisely, especially because of the passage of vessels of large size, such as oil tankers and bulk grain cargo vessels, has established a harbor master's office.

In fact, this order was issued via Supreme Decree No 670 of 1981 for the Punta Arenas region, which has jurisdiction over the coast, the waters and the maritime territories from an imaginary straight line linking Punta Satellite and Punta Baxa, on the west, to the international maritime boundary on the east," the maritime governor of Magallanes, Commander Carlos Bastias, said.

The harbor master's office also includes the pilots' station, where the transfer of pilots disembarking in Dungenes, whether they are traveling from west to east or from the Atlantic to internal domestic waters, is effected.

Here, at the harbor master's office, there is a lighthouse, the second oldest in the jurisdictional area. It was built in 1898, while the Evangelistas lighthouse was constructed in 1896.

## ECHANDI, CALDERON DIFFER ON POLITICAL, ECONOMIC ISSUES

San Jose LA NACION in Spanish 4 Jan 82 p 8A

[Text] The candidates of the National Movement and the Unity coalition parties, Drs Mario Echandi and Rafael Angel Calderon, respectively, gave their different opinions on how the future government should fight against the constant increases in the prices of basic commodities.

Both of them answered a brief questionnaire from LA NACION on domestic questions. The candidate of the National Liberation party, Luis Alberto Monge, did not grant an interview for the same purpose, despite the fact that, in order to obtain the interview, the questions had been presented to him one day previously.

For Echandi the increasing cost of living does not result from a lack of legislation, but rather from the lack of action by the present government.

"Gallopig speculation, which everyone feels, added to the fall in purchasing power of our currency, contribute to the problems of the economically weaker classes," former President Echandi said. He stated that, "the crisis is already to be found within the huts of the neediest classes of people, and I say 'huts,' because you cannot call them houses. The next administration must dedicate itself, above any other problem, to resolving this situation which, for me, is one of the principal problems which the new government must face."

Calderon, for his part, stated that the chapter on economic guarantees must be approved, which is party advocates as part of the political constitution. He explained that, "with it public expenditures must be limited, and we must avoid having a larger number of citizens working for the government. We must put a limit on the money supply, on the total amount which the state can use as credit from the commercial banks. Finally, it is imperative to give more resources to the Ministry of Finance so that, by means of sacrifices on the one hand and more taxes on the other, we can reduce the deficit."

## Communists

Regarding the future relationship of his party members with the communist representation in the Legislative Assembly, Echandi commented that all of their actions would take place within the law. "Everything that the law and the Constitution permit will be supported by my government," the former president said.

Calderon stated that he would maintain a permanent dialogue in parliament with the factions which make it up. "Obviously, there will be more contact with the majority faction of the opposition," he assured.

Regarding the convocation of a national constituent assembly, concerning which a draft bill was approved by a permanent committee of the Legislative Assembly in the middle of November, Echandi did not hesitate to say: "We will oppose the proposal at all times and with all our strength." He declared, "We must not throw out the whole Constitution, as was done in 1949, but rather reform what is not really in accordance with present circumstances. However, we can do that through two sessions of the Legislative Assembly, with a qualified majority of votes and with the participation of public opinion."

Dr Echandi said that the problem with a constituent assembly is that it could lead to a case where, if a given party wins the election, that party is the one which determines the nature of the constitution. "And a constitution imposed by a single party, which at a given moment has a majority of the votes, would go on and on in the future, for all parties which have a majority of the votes would want a constitution which fully meets their desires."

#### Bipartisanship

Dr Calderon Fournier stated, regarding the same matter, that he holds to his view that a national constituent assembly should be called if its deliberations require a vote of two-thirds of its members.

He justified his position in this way: "Costa Rica has had bipartisanship during practically all of its history. That means that there are two very large, very important popular forces which represent large sectors of the Costa Rican people." He continued, adding: "It is logical that one of the two forces could be left without a role in the preparation of the constitution of the country, if the other force gains a majority, whether by one vote or through the support which small groups might give it. For that reason I believe that it must be the political forces which represent 90 percent of the national electorate which jointly should prepare the constitution."

#### Confidence

The last question which Calderon and Echandi answered was on what they consider should be the principal task of the next government. Echandi thought that it should be to give confidence to the entrepreneur, to the country, to the investor, to the worker, "to give absolute confidence to everyone who wants to work for the benefit of the country in general."

He added that he considers that one of the most profound crises at present is the fact that no one believes either in the Legislative Assembly or in the measures taken by the Central Bank or in the action undertaken by the president of the republic. He also thought that the rules of the game are constantly changing, and this impedes the development, or at least, an arrangement of the economic situation at present. "Fundamentally, confidence is the factor which a future government must imprint on its actions, at the very start of its work," Dr Echandi concluded.

For Dr Calderon Fournier the first thing to do is, "to fight against the economic crisis and to ensure for the people of Costa Rica that they will have the opportunity to improve their situation, that they will have the possibility of acquiring their own property." He said, "In this way we can guarantee to our children that in Costa Rica we will maintain social peace, continue the fight against hunger, maintain the opportunity for decent housing for all, social security for all, adequate education and health for the people of Costa Rica."

The presidential candidate of the Unity coalition concluded, saying, "Then we are going to be able to enter into an era of very many years of social peace and tranquility, as we have had in the past."

5170

CSO: 3010/678

## FINANCIAL DIFFICULTIES FORESEEN FOR MAG IN 1982

San Jose LA NACION in Spanish 28 Dec 81 p 4A

[Text] Beginning in the new year the Ministry of Agriculture and Livestock (MAG) will experience an economic crisis, due to the shortfall of 100 million colons in the budget provided to it, according to a statement made by the minister holding that portfolio, Dr Hernan Fonseca Zamora.

The ministry asked for a budget for 1982 of 305 million Costa Rican colons. However, the Ministry of Finance lowered the budget to 205 million Costa Rican colons, an amount which the Legislative Assembly approved. "That means that it will be very difficult to operate in 1982, because logically those 100 million Costa Rican colons will be missing to carry on the various programs," said Dr Fonseca.

Hence, he announced that it will be necessary to carry out a series of readjustments in the various plans to establish priorities. "In some cases it will be necessary to eliminate programs definitively. In other cases their level of activity will be lowered," he specified. The minister is most concerned about the agricultural extension service, since it will be the program most affected. He stated that they will have no resources to buy new vehicles. The present vehicles are 3 years old and, as a result of deterioration, they have a high maintenance cost. Further, the cost of motor fuel has gone up considerably.

Dr Fonseca also stated that travelling expenses will be seriously affected, which is another major problem, since 72 percent of the personnel have to travel about to work in rural areas. The ministry has about 2,500 employees.

According to the minister, another of the programs which will be cut back will be the research service, since resources and materials for work will not be adequate. He said that, in addition to the lack of resources, they would have to deal with the problem of the growing demand for services which the farmers want.

Elsewhere the Union of Professional Employees of the ministry said that on an earlier occasion they had pointed out to the members of the Legislative Assembly the serious consequences for agricultural and cattle production resulting from the failure to approve expenditure of 305 million Costa Rican colons.

5170

CSO: 3010/678



## COUNTRY'S TRADE WITH CENTRAL AMERICA HAS IMPROVED

San Jose LA NACION in Spanish 30 Dec 81 p 2A

[Text] Costa Rica's terms of trade with the other countries in Central America improved considerably during the first 11 months of 1981, as shown by preliminary figures provided by the Directorate of Economic Integration of the Ministry of Economy, Industry, and Commerce (MEIC).

Costa Rica succeeded in increasing its trading surplus with these countries over the first 11 months of the previous year by \$20.1 million. By November 1980 the trading surplus for the year had amounted to \$45.9 million, while the surplus for 1981 through November rose to \$66 million.

On the other hand, during 1980--still through November--Costa Rican exports to Central America totaled \$247.7 million, as against imports of \$201.8 million. During the first 11 months of 1981 exports totaled \$209.6 million, while imports amounted to \$143.6 million.

COSTA RICAN TRADE WITH CENTRAL AMERICA  
(BALANCE IN MILLIONS OF DOLLARS)\*

<u>Country</u>	<u>1980</u>	<u>1981</u>
Guatemala	-32.5	7.9
El Salvador	-15.7	3.5
Honduras	- 8.8	15.1
Nicaragua	-85.4	39.3

\*Preliminary figures from the Directorate of Economic Integration for November in each year.

Furthermore, our country succeeded in eliminating the trade deficit which it has had for years with Guatemala and El Salvador. In the case of Guatemala it was possible to move from a deficit of \$32.5 million to a surplus of \$7.9 million. With El Salvador the change was from a deficit of \$15.7 million to a surplus of \$3.5 million.

The surplus in trade with Honduras increased by \$6.3 million, while on the other hand the surplus with Nicaragua declined by \$46.1 million.

During the first 11 months of 1981 Costa Rican exports to Guatemala amounted to \$69.1 million and imports, to \$61.2 million. Meanwhile, in 1980 exports totaled \$59.2 million and imports, \$91.8 million. During the first 11 months of 1981 exports to El Salvador totaled \$38.6 million, while imports totaled \$35 million. In the same period in 1980 exports amounted to \$45.8 million, while imports totaled \$61.6 million.

Up to November 1981, exports to Honduras were recorded at \$30.3 million, while imports were \$51.1 million [sic; as printed: these figures are inconsistent with the reference to a surplus in para 2 above]. Meanwhile, in the same period of 1980 exports were \$25.9 million, and imports were \$17 million.

Nicaragua was the only country whose trade with Costa Rica reflected a sharp decrease. During the first 11 months of 1980 exports to that country amounted to \$116.7 million and imports totaled \$31.2 million. During the first 11 months of 1981 exports amounted to \$71.5 million and imports, \$32.2 million.

#### Concern

Despite the fact that the figures are favorable to Costa Rica, officials of the Directorate of Economic Integration and businessmen are not hiding their concern over the problems from which the Central American Common Market is suffering. The delay in payment for exports is principally a cause for alarm. The source of the problem is in the critical foreign exchange situation prevailing in three countries of the region: Costa Rica, Nicaragua, and El Salvador.

Furthermore, both the sub-director of economic integration, Dr Jorge Madrigal, and the president of the Chamber of Industries of Costa Rica, Benjamin Piza, pointed out the problem represented by the fact that the highest government authorities involved in economic integration have not met again. Meanwhile, an emergency procedure, which has been discussed in previous meetings, has not been put into effect.

In addition, the government and business sectors view with alarm the fact that a meeting of any kind is difficult to arrange, due to the nearness of elections in Costa Rica, Guatemala, and El Salvador.

0170

CSO: 3010/678

## HUMBERTO PEREZ SPEAKS ON 1981, 1982 ECONOMIC PLANS

Havana GRANMA in Spanish 30 Dec 81 pp 2-3

[Report to the National Assembly by Humberto Perez Gonzalez, Minister-President of JUCEPLAN, in late December 1981]

[Text] Report to the National Assembly Concerning Fulfillment of the Plan of the National Economy in 1981 and the Draft Plan for 1982, Submitted by Humberto Perez:

At the behest of the Council of Ministers, we are submitting to you the Draft Plan of the National Economy for the coming year of 1982, and also the assessment of the execution of the plan during this year of 1981.

In the context of a world economy submerged in what is perhaps the deepest and most chronic crisis that the capitalist system has undergone throughout its entire history; at a time when that crisis is causing marked negative effects in all countries, especially the underdeveloped ones, and is having a negative influence on the economies of the socialist countries as well.

In a year when, according to the reports available to date, the economies of the developed capitalist countries have in no instance experienced growth exceeding 3.5 percent, and in some of these countries, such as France, Great Britain, the Federal Republic of Germany and Italy, reductions have occurred; a year in which the capitalist world economy as a whole is expected to grow less than 3 percent, and in the specific case of Latin America, according to preliminary data issued quite recently by ECLA [Economic Commission for Latin America], the growth will be only 1.2 percent, the lowest in the past 35 years.

In a year when there has been a drop in the price of sugar, bringing it below the most conservative forecasts, we can report with gratification something that was already noted by Comrade Fidel in his speech on 26 July of this year, in discussing the progress of the economy during the first half: According to preliminary calculations on the execution of the plan during this entire year of 1981, we can describe this as the year when we accrued the best economic results in the entire revolutionary period.

Upon submitting the proposal for the 1981 plan to the National Assembly at the end of last year, we mentioned a projected growth of approximately 4 percent at constant prices. In the first place, we must tell you that this figure later underwent a

correction, owing to the fact that, at the time when we were submitting the proposal for that plan, the calculations on the plan executed in 1980 had not yet been completely updated, nor had the levels of activity in the 1981 plan based on the new prices established by the wholesale price reform which went into effect on exactly 1 January of this year. A few months later, when those calculations had been properly corrected and updated, we could state that the plan which we had approved for 1981 should actually represent a growth of approximately 8 percent over 1980.

But it so happens that, in reality, the growth attained amounts to the significant figure of 12 percent, which is even more impressive amid the state of international crisis that we mentioned earlier.

Undoubtedly involved in this growth, in part, is the fact that 1981 is being compared with a year such as 1980, when we experienced serious upsets in our leading type of production owing to the rust disease in the cane plantations, as well as upsets in the tobacco production caused by the blue mold. Understandably, the successful recovery of these industries during 1981 is a major factor explaining the high levels attained to a certain extent.

But the essential aspect lies in the remarkable qualitative progress which occurred in the organization and efficiency of our economic activity, in the results from the improvement in the quality of work noted in all our political and mass organizations, in the revolutionary administration and in the workers' wonderful attitude on behalf of greater productivity in fulfillment of the slogan "production and defense" launched by the Second Party Congress; and it also lies in the results that are now starting to be accrued from the implementation of the Economic Management and Planning System approved by our party's First Congress.

This progress became evident first in the accomplishment of our last sugar harvest: the best and most efficient one that has ever taken place in our country, based on all its most important indicators, something which Comrade Fidel stressed in his address on 26 July. The sugar mills ground 89 percent of their potential norm; the recovery achieved was the highest in the last 15 years; the productivity per cutter was 24 percent higher than in the previous year, and represented an over-fulfillment of plan exceeding 13 percent; the oil consumed per ton of cane ground was reduced remarkably, representing a savings of over 50,000 tons of fuel in our sugar mills in comparison with the predictable figures, based on the consumption norms called for in the plan.

Together with this, and in the sugar industry itself, there was the largest spring planting in our nation's history, reaching the figure of 31,314 caballerias, with the additional element that, despite the high volume of plants, the losses in the planted areas declined in comparison with the year before.

The General Work Productivity in Our Country This Year Has Experienced the Remarkable Growth of 10 Percent, With a Resultant 80 Percent Increase in Production Due to It

The general work productivity in our country this year has experienced the remarkable growth of 10 percent, with a resultant 80 percent increase in production due to it. This has represented a relative savings of some 200,000 workers who

would have been necessarily used in addition, if this increase in productivity had not occurred. Prominent in this connection is the construction sector, which increased its productivity by 17 percent, and the state agricultural-livestock sector, wherein it rose approximately 9 percent.

This general increase in efficiency has also meant that the production cost per peso has declined this year by about 5 percent in comparison with 1980.

Therefore, this has been a year in which a very important step forward has been taken in the efficiency achieved in our productive activity; and, as we remarked, this has been the basic reason for the over-fulfillment of the economic plan that has taken place, and the high rate of growth that has been attained; although, of course, far more remains to be done in this area of economic efficiency, saving our resources, increasing work productivity and cutting our production costs.

This has also been a year of considerable improvement in the population's standard of living. As a result of the wage reform that has been implemented, the minimum wage increased by 10 pesos in the area of administration and services, and by 11 pesos and 43 centavos among laborers and other workmen. The mean wage increased from 148 pesos in 1980 to 168 pesos in 1981; in other words, nearly 14 percent. Similarly, also as a result of other supplementary measures such as the enactment of the new Social Security Law, the new collection prices to the farmers, the implementation of bonuses and rewards to workers for different reasons, the monetary income, considering the entire population of our country, both working and non-working, increased by some 9 pesos per capita.

The supply of products to the population through retail mercantile circulation, including the commercial and restaurant and hotel sectors, increased 10 percent; the consumption of root vegetables increased 13 percent, reaching 83 kilograms (about 183 pounds) per capita; and that of other vegetables rose 9 percent, reaching 62 kilograms (136 pounds) per capita. There were also slight increases in the consumption of beans, meat, fats and eggs, reaching the high per capita consumption of 236 units per person in the latter product. The supply of products on the parallel market increased, chiefly canned meat, liquid milk and refined vegetable oil; and the supply of coffee poured in coffee shops and other public food units was maintained all year long. All of the foregoing made it possible for the daily per capita consumption of calories to reach 2,900 units, and for protein consumption to increase 3 percent, reaching 77 grams per capita per day; indexes which are well above the consumption in most of the underdeveloped nations of the world; added to the fact that, in our country, this is not a mere arithmetical average involving a large consumption for a small portion of the populace and under-consumption for the absolute majority, as in the case of countries wherein exploiting systems prevail. These are, rather, per capitas which include the entire population, with slight differences between those who consume more and those who consume less; both because the differences in income for each individual are determined only by work and never by the fact that one is an owner of land, factories, business establishments, banks, houses or other such resources, and because the basic food products are guaranteed by equal quotas for the entire populace, regardless of its income.



In the projects for health, seven polyclinics, one dentistry clinic, three homes for the aged and three homes for the physically disabled were completed, as well as 11 intensive therapy rooms.

Also finished were four new hotels, and two others were renovated.

In the hydrology area, the growth has been approximately 11 percent, although the levels anticipated in connection with waterworks and sewerage facilities in the City of Havana were not attained.

There was a 13 percent increase in construction maintenance compared with the previous year, amounting to nearly 200 million pesos during the year.

In the external sector, the exports reckoned at constant prices, according to plan, increased at a rate exceeding imports, upholding the process that we are attempting to carry out to replace imports and raise economic efficiency in general. All of this despite the fact that, owing to the depressed price of sugar compared with the upward trend in prices of imported products that prevails on the world market, the ratio of exchange with the capitalist currency area declined this year.

In the effort to increase and diversify our exports, we can report that, during 1981, there was a total of over 100 new items in our exports plan which were not there before 1976, when these new products gradually began to be included. The participation of these new exports items in the total non-sugar exports now amounts to 7 percent of the total, and in terms of value, during 1981, they represented an increase of 45 percent in comparison with those carried out the previous year. However, in this connection we should state that the efforts must continue to eliminate the difficulties which still crop up in the internal organization of the producer-shipper-exporter chain, and in the marketing of the aforementioned products.

With regard to the different sectors, we can report that the industrial sector has grown 12 percent as a whole. Within it, the generation of electricity increased 7 percent; mining and metallurgy, 8 percent; the production of corrugated steel bars, nearly 6 percent; and common steel and steel billet production, and that of nickel + cobalt experienced major increases, with special emphasis on the Comandante Pepe Ramos Latour enterprise (formerly the Nicaro) which, by mid-December, broke the historical record for nickel production, which was nearly 20,200 tons, and will produce a total of some 20,800 tons during the year.

In a branch as important to the nation's development as the non-electric machine industry, the growth attained was 22 percent, with emphasis on the production of cane combines, which has increased nearly 20 percent, reaching a total of 600, and the production of 11 meter buses, which rose over 50 percent over last year.

#### Major Increments Were Also Achieved in the Food Industry

In the production of sprinkler irrigation systems, their parts, members and fittings, the increase was 23 percent, although the planned volume was not attained; in machinery and equipment for the sugar industry, the increment was 8 percent; and in the production of spare parts, it was over 30 percent.

The chemical industry grew 12 percent, and within it, the production of complete fertilizers increased over 4 percent. There were also increases in the production of chlorine, sodium hydroxide, soap, makeup and cosmetics. The production of inner tubes for tires exceeded the anticipated levels, and there was an increase in the number of recapped tires, totaling 425,000.

The production of plumbing fixtures rose 4 percent and, in general, the construction materials industry grew 13 percent, attaining a 14 percent increase in gray cement, and for the first time in our country over 3 million tons were produced, reaching a total of nearly 3.3 million tons.

In the paper and cellulose area, the increment was 13 percent; in the textile industry, it was 15 percent, with a 7 percent rise in yarn production and a 10 percent rise in fabric production; while in the ready-made clothing area the increase was 11 percent. In the leather branch, the increase was 24 percent, far exceeding the plans; and there was also a rise in footwear production, although it does not yet meet the population's needs. The production of mattresses and light mattresses increased nearly 15 percent over the previous year.

Major increments were also achieved in the food industry, with a 20 percent rise in the production of pork in strips, and a 17 percent rise in canned meat; as well as a 10 percent increase in yogurt, a 9 percent increase in ice cream, a 37 percent increase in tomato preserves, a 15 percent increase in fruit preserves, and a 30 percent increase in wheat flour. The recovery process was marked in tobacco production; the cigars for national consumption increased 52 percent, with over 170 million units produced, and the cigars for exports increased by over 24 percent. The production of cigarettes nearly doubled in comparison with the year before.

In the agricultural-livestock sector, the growth was about 9 percent; vegetables increased 31 percent; bananas 15 percent; potato production 9 percent; and there was a tobacco recovery exceeding the volume collected in any year of the previous 5-year plan, by 45 percent of the average for that period, surmounting the upsets caused by the blue mold. Fresh cow's milk production rose 4 percent; that of beef on the hoof by over 2 percent; pork by 17 percent; and slaughtered poultry meat by 9 percent.

Satisfactory results were also achieved in the transportation industry, with an increase of nearly 14 percent in freight transportation by rail; and the number of bus trips increased 9 percent, as a result of the incorporation of over 800 vehicles, thereby improving the coefficient of utilization of the fleet. In the City of Havana, even though there was an increase of 8 percent in the number of passengers carried, and of 3 percent in the trips made, the planned volume was not attained, and there are still some shortcomings remaining to be eliminated.

These are, generally speaking, some of the figures which demonstrate what was accomplished in our economy during 1981, and which attest to the claim that we made at the beginning, that this year is the best of the entire revolutionary period insofar as its economic results are concerned.

Some improvements were also noted in industrial products, for example, in deficient categories such as that of towels, the supply of which increased 13 percent. The supply of television sets rose 52 percent in comparison with 1980, a contributing factor for this being the levels attained in native production, which increased 93 percent. The supply of refrigerators rose by over 7 percent.

Although with some limitations, some improvements were nevertheless noted in the repair of household electrical appliances and in the volume of services provided by laundries and dry cleaning establishments, which increased 8 percent.

The housing construction plan, which called for the completion of approximately 20,000 units, was over-fulfilled, with some 24,000 dwellings finished.

The capacity of child day care centers increased nearly 6 percent; and the enrollment in semiboarding schools on the elementary level nearly 7 percent; and there were also increases in the number of boarding students in intermediate schools.

In the public health area, the increase in the number of beds for medical treatment was nearly 5 percent, and in the number of beds for social assistance, 21 percent. The medical consultations per inhabitant increased by more than 3 percent, and those of dentists by over 11 percent. Infant mortality, already low in 1980 with an index of 19.6 for every 1,000 live births, dropped further still, and in 1981 was 19.4. Moreover, in making the assessment of the year, we cannot fail to stress in this area the remarkable feat accomplished by our physicians, nurses and other public health personnel in the battle to eradicate the hemorrhagic dengue fever epidemic which struck our population, within slightly over 4 months.

To summarize, in 1981 the total amount of consumption in the country increased 10 percent, the social consumption by over 16 percent and the personal consumption by over 8 percent.

In the Investment Area, the Increase Was 12 Percent, Reaching a Total of 3.15 Billion Pesos

In the investment area, the increase was 12 percent, reaching a total of 3.15 billion pesos.

The volume of industrial consumption rose about 8 percent, with the following partially embarking on their starting phase this year: the second stage of the expansion of Antillana Steel; the 26 July farm tool factory in Holguin; the bottle plant and the metal structures plant in Las Tunas; a new sugar mill in Cienfuegos; and new production lines in the Karl Marx cement factory in Cienfuegos and the Rene Arcay cement factory in Mariel. In addition, some 68 projects were completed, including the torula yeast plant in Holguin, the glucose plant in Cienfuegos, the candy factory in Pinar del Rio, a pasteurizing plant in Bahia Honda, a poultry slaughterhouse in Holguin and a cold storage plant in Camaguey, as well as 37 collection centers.

Among the agricultural-livestock projects, 147 bovine projects were completed, including 51 dairy farms and genetic centers, two projects for hog raising and 10 for the poultry raising program.

In Connection With the Proposed Plan for Next Year We Have Taken Note That the Conditions and Circumstances Under Which We Plan the Development of Our Economy in 1982 Will Be Different From Those in 1981

In connection with the proposed plan for next year we have taken note that the conditions and circumstances under which we plan the development of our economy in 1982 will be different from those present during this year of 1981, both in the absolute and the relative sense.

In the relative sense, because, whereas in 1981 the economic activity had as a reference point a year of difficulties, such as that of 1980, largely a result of the pests and diseases on our cane and tobacco plantations; a year wherein, therefore, the economic growth was relatively low, we must compare and relate the economic activity of next year, 1982, with 1981, a year of great growth, as we have observed.

On the other hand, however, the exacerbation of the world economic crisis is making its effects felt increasingly on all the nations of the world, and of course on our country as well. The interest rates that we must pay for the loans which we receive are remarkably high, and are threatening to increase. The galloping inflationary process in the capitalist world is causing the prices that we must pay for the products we import from that area to be increasingly higher; while, on the other hand, the price of our leading export product, sugar, is in a period of depression even before it was predicted, a situation in which the economic policies of the developed capitalist countries, primarily that of the European Common Market and that of the United States, have not failed to be present; the former in particular subsidizing its internal producers and dumping their subsidized sugar on the world market; and the latter imposing high taxes and tariffs on the sugar which it imports, thereby reducing those imports and forcing the usual suppliers of the United States market to allocate a greater volume of their sugar to the rest of the world market, and by doing all this making the prices drop still further. In addition, the United States has intensified its aggressive, blockading policy against Cuba, and is pressuring the bourgeois world's economic institutions, both commercial and financial, to create additional difficulties for our country.

For all the foregoing reasons, although we are in an advantageous position in comparison with other underdeveloped countries, owing to the superiority of our socioeconomic system, the degree of development that our country has already attained, the degree of organization and consciousness among our people, and the fact that most of our economic relations take place with the socialist countries, primarily the USSR, which which we maintain fair trade relations, we cannot avoid suffering the consequences of the aforementioned factors, owing to our inevitable ties with the capitalist area.

These features of the world economic situation, including the low sugar prices that exist, which we can expect for next year, together with the policy which our government has always maintained and will continue to maintain, attaching top priority to the fulfillment of our international financial obligations, make it most advisable, rational and prudent in the economic area for us to set for ourselves, for next year, modest goals for growth, and to even sacrifice plans that we had initially proposed when devising our 5-year plan, something which was



discussed and argued by Comrade Fidel in his speech on 24 October at the closing ceremony for the Congress of the Committees for the Defense of the Revolution.

#### The National Economic Plan for 1982 Calls for Growth in the Total Social Product Not Exceeding 2.5 Percent Compared With That Attained in 1981

As a result the National Economic Plan for 1982 which we are proposing to you for approval calls for growth in the total social product not exceeding 2.5 percent compared with that attained in 1981. However, this does not mean that we shall not continue developing, because development must not be viewed solely and fundamentally as quantitative growth, but also, and particularly, as a change in the internal structures of the economy, as growth in economic efficiency, advancing in the savings of resources and the most rational use thereof; and in these qualitative aspects the plan for next year calls for substantial, significant advances.

We plan to continue increasing exports, which should increase by over 10 percent at constant prices, although the drop in sugar prices could mean that this increase will be far less in terms of value, or might not even occur. Similarly, there are plans to continue the policy of diversifying exports, increasing the levels of the new exportable stocks incorporated in the past few years, and adding new products to our export plans.

The population's consumer stocks will continue to increase, both for social consumption and personal consumption. This increase in consumer stocks will make it possible to maintain levels of the leading products for the population equivalent to those attained in this year of 1981, and similar levels will also be attained in terms of calories and proteins: about 2,900 calories and about 76 grams of proteins per day per capita, and an even greater improvement is called for in the supplies of root and green vegetables and fruit, in comparison with this year. There are also plans to maintain the distribution on the parallel market of certain food products such as canned meat and fish, liquid milk, fruit and vegetable preserves, etc.

In the area of food products, a relative upset in the population's consumption is planned only in the case of coffee (as has already been explained in the announcement of the retail price reform), calling for the distribution of only coffee mixed with grains in a proportion of 50 percent. The distribution of corn meal to the population will also be upset.

As for the consumer industrial products, fundamentally, it is planned to maintain levels similar to those for this year of 1981, with an increase in some items, such as that of the total footwear, which we plan to increase by about 2 or 3 million pair; as well as the supplies of durable goods: radio receivers and television sets, including 5,000 color sets, refrigerators, washing machines and fans.

The health services will continue to increase based on expansions of hospitals, particularly children's hospitals, to which intensive therapy rooms will be added and, in some instances, the corresponding polyclinics for special types of treatment. The medical treatment beds will increase by over 2 percent, and we shall continue to graduate physicians until, next year, we have approximately one doctor for every 570 inhabitants.



The capacity in child day care centers for every 1,000 children up to the age of 4 years will increase by over 3 percent; the number of elementary school pupils in semi-boarding establishments for every 1,000 children between the ages of 6 and 11 years will also increase by over 4 percent, with more than 230 out of every 1,000 children between those ages benefiting from this service. In intermediate schools, the number of boarding students will also rise significantly; and while, in 1981, for every 1,000 inhabitants between 12 and 17 years old there were 340 boarding students, for 1982 it is planned to raise this figure to about 370. In our various educational institutions on the various levels and in the different courses, there will be a total of over 3.3 million inhabitants of our country; in other words, 34 percent of the total populace will be attending school.

The housing construction plan calls for the completion of some 25,00 units next year.

And despite the fact that the investment plan calls for a reduction in comparison with the plan executed in 1981, it is even considerably in excess of what was accomplished in 1980, and has been devised on the basis of giving priority to the execution of projects the insurance of which is guaranteed, and concentrating greater effort, where it is technically possible, on the completion of the projects under construction, giving priority to the industrial investments and the programs for maritime and hydrology projects, as well as the completion of dwellings.

In agricultural and livestock projects, the resources will be applied basically to completion of the bovine livestock raising cycles in calf breeding and livestock centers under development. The plans for the construction and opening of new meat-packing and citrus packing plants will also be maintained.

As part of the construction plan, a substantial increase is called for in the construction maintenance activity, with an increase of over 30 percent. Resources are planned for the maintenance and rebuilding of educational facilities, and the repair of housing and other buildings, as well as a sizable increase in the sale of construction materials to the population which, in comparison with the 1981 plan, will increase over 30 percent in such categories as cement, lumber, corrugated steel bars, plumbing fixtures, electric cable, etc.

Within the Different Areas of the Country's Economic Activity, Significant Increases Are Planned in Sugar Production.

Within the different areas of the country's economic activity, significant increases are planned in sugar production, insuring both the current sugar harvest which has begun with high levels of efficiency in its main indicators and the basic resources for the continuance of the sugar program.

The generation of electricity has been projected on the basis of no increment but rather a reduction in consumption compared with 1981; which will require an organized systematic savings plan on the part of all the agencies, enterprises and budgeted units.

In mining and metallurgy, an increase of over 8 percent has been planned over this year, and in the machine industry there are priority plans for the production of farm tools, especially those used for growing sugar cane. It is planned to maintain

bus production and to give priority to the native production of spare parts, which should increase by more than 20 percent.

In the food industry, increases are planned for fundamental products, such as rice, canned meat, fruit preserves and vegetable preserves. Increases are also planned in the categories of beverages and cigars, owing to the recovery that has been experienced in tobacco production. A growth of 7 percent is planned in the fishing industry, and the catch from aquiculture will amount to about 10,000 tons next year.

In non-cane agriculture, increments are planned in the fundamental products; the sale of citrus fruit to the state will increase 20 percent, that of other fruit 15 percent and that of root vegetables 7 percent. As for beef production, figures similar to those for 1981 are called for, as well as an increase in herds amounting to over 20,000 head.

In the transportation sector, increases are planned in the railroad, loading, unloading and coastal shipping activities. For the passenger transportation in the City of Havana, the plan calls for the delivery of over 400 new buses, to improve the age of the fleet and this service which is so important to the populace.

Moreover, it should be pointed out that, although the reduction in the rate of growth of our economy called for in the plan, the reduction in the work day from 10 to 8 hours in certain construction projects and the greater use of manual cleaning to substitute for imports of herbicides mean that, for the economy as a whole, no increases will be called for in work productivity next year, and the production costs will be kept at levels similar to those of this year, this does not mean (as we noted before) that next year's plan does not call for the attainment of high levels of economic efficiency in various respects, as essential tasks and requisites for its fulfillment.

For example, a starting point is the maximum savings of electric power, for which the Ministry of Basic Industry and the Central Planning Board are devising a plan including measures calling for a cut in consumption of approximately 5 percent, concentrating the effort on the leading electricity consuming enterprises, establishing measures to reduce the lighting in the commercial area, not making expansions in public lighting, using high-efficiency lighting to replace incandescent lighting, curbing use in public buildings, creating provincial energy saving committees, etc.

Also called for are maximum savings of fuel and petroleum by-products, with incentives for the agencies which achieve consumption lower than planned, by giving them a percentage of the value of the fuel saved in the form of convertible currency to meet their needs, and also giving an incentive through bonuses to workers, in a select group of large consuming enterprises, for reductions in the consumption indexes, while at the same time enterprises will be penalized by means of a surcharge in prices for non-fulfillment of the planned indexes.

A restricted allocation of liquid gas to state consumers is planned, as are measures for saving and substitution with other types of fuel.

It is planned to reduce insofar as possible the expenditure of fuel, and the maintenance and repair assumed by the state, also rationing the use of state cars in

agencies, enterprises and budgeted units. In this connection, a proposal has already been prepared and submitted for approval from the higher levels of government.

A group of measures is planned to reduce the spending of foreign exchange, both in the form of outlays in connection with our diplomatic missions, delegations going abroad and other purposes, and also a reduction in the expenses for productive services, for which an effort will be made to insure the greatest possible provision with native products to our ships and to the foreign ships arriving in our ports; reducing the payments for demurrage, and seeking revenue for prompt handling and other similar measures.

An effort will be made to increase exports to the maximum extent, for which a centralized, systematic control will be set up, in over 20 categories of the new products which are called for in the plan; and there will also be incentives for the producing, transporting and exporting agencies, with the establishment of bonuses for the workers associated with the chain which goes from the producer to the exporter of the exportable stocks.

A more careful control and examination are planned for the inventories existing in the enterprises and budgeted units, to detect all the idle resources that could be mobilized, either to be used as production goods or to be offered to the population as mercantile stocks.

The development of marginal production in industry is planned, using scrap and waste, for which mechanisms are also planned to give incentives to the enterprises which engage in this production.

There are plans for the development of agricultural school gardens, both in elementary and intermediate schools, aimed essentially at providing part of the consumption in these centers.

It is intended to develop a plan to give an incentive for monetary savings on the part of the population, with a view toward eliminating the excess currency which still remains after the implementation of the retail price reform that is in the process of being carried out at present.

Measures are called for to make optimal use of containers, by means of an intensive policy for recovery, as well as by replacing some types traditionally used with others that are more economical. It is planned to streamline the packaging of pharmaceuticals, with an attempt to make their size conform to the consumption, and avoiding the unnecessary accumulation of pharmaceuticals in the hands of users which later deteriorate.

It is intended to work on the bulk transportation of the production of mixed feed, both in the feed factories and on poultry, hog and bovine cattle farms, for the purpose of replacing, and reducing the demand for burlap bags and multi-wrappers.

It is planned to increase the recapping activity to the maximum possible extent, which entails a strict policy of turning in tires in a recappable condition.

It is planned to increase the production of mattresses through a major increase in the recovery of textile waste, particularly the recovery of used mattresses.

It is intended to substitute for the cleaning with herbicides in all instances wherein it is possible, using manual cleaning instead.

A measure is also planned which would foster the savings of transportation, electricity and fuel resources, and would encourage better organization of the country's labor activities. It is the measure of establishing in all the industries wherein it is advisable and possible, a 48-hour work week, alternating with a 40-hour work week, in other words, what we might term a "long" week and a "short" week of work; so that, while in one of them the entire Saturday would be worked for 8 hours, the next week Saturday would be a completely free day, and hence one would work only from Monday to Friday. We think that this measure will also benefit our workers, because every 15 days they may have 2 consecutive days off.

As we can observe, the plan which we propose to you for the coming year of 1982 is a plan that is modest and prudent in its economic goals, but this does not preclude its being a plan for development. Major efforts have been made to ration resources to a maximum extent in devising this proposed plan. Now, it is a matter of striving to the maximum extent to fulfill it, based on savings, productivity, maximum efficiency, demands and responsibility on the part of all our workers and all of us.

We have complete confidence that, once again, our people will manage to demonstrate what they are capable of in the performance of their duty, facing the difficulties, risks and dangers that are ahead of us, and any others that we may be forced to confront.

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## ENVOY TO GRENADA NOTES SOCIALIST ECONOMIC GROWTH

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[Report by George Worme]

[Text] St Georges, Grenada, 13 Jan (CANA)--The Caribbean Socialist Republic of Cuba received the equivalent of five-billion EC dollars (1 EC dollar; 37 cents U.S.) in assistance from socialist bloc countries between 1976 and 1980, that country's resident ambassador in Grenada Julian Torres Rizo, said last night.

Addressing the opening of a special one-week exhibition on the Cuban revolution here, Ambassador Rizo said Havana had also received similar assistance from a number of Western countries over the same period. These countries include Britain, Belgium, Spain, France, Canada, Denmark, Finland, Sweden, Japan and Italy.

The Cuban ambassador made special mention of the Soviet assistance, disclosing that Moscow had given the Cuban industrial sector a major boost by assisting in the construction of 50 new factories during the last four years.

He said that while the average economic growth rate of countries in Latin America and the Caribbean was a mere 1.2 percent during 1980-81, the Cuban economy's growth rate was 12 times that average.

Mr Rizo said the socialist state experienced such levels of economic prosperity during the past year that the country was able to build 24,000 new houses, open 75 new factories, provide free education for 34 percent of the population, and to achieve a ratio of one doctor to every 600 persons in the country.

The Cuban ambassador stressed that despite of its limited resources, Cuba was willing to assist other countries with their development and had some 16,000 Cuban technicians working in other countries.

Since the March 1979 coup that brought the people's revolutionary government to power, Cuba has assisted Grenada substantially in several areas, ranging from